

The NATIONAL UNDERWRITER



When Securities Disappear

And they do disappear. Sometimes through carelessness. Sometimes through too much care—the owner hides them so even he or she can't find them.

And when a duplicate has to be issued, a "lost instrument" bond is frequently required.

For instance—an owner decides to sell some shares of stock. The certificate isn't in the safe deposit box, or in the tin box in the closet, or in the "valuable papers" jacket in the desk. The corporation cannot safely issue a duplicate without the owner giving bond that he won't use the duplicate and the original to double his or her holdings.

Travelers bonds will satisfy the treasurer of any corporation in the country. Travelers service will please both the person who buys and the person who arranges the bond.

THE TRAVELERS INDEMNITY COMPANY
HARTFORD, CONNECTICUT

All forms of Fidelity and Surety Bonds

Tell your local bankers, lawyers and securities dealers that you handle these bonds.

THURSDAY, MARCH 1, 1945

—meet Ogden Foresythe*

who makes his first public appearance in current issues of The Post, Time, Newsweek and Pathfinder.

pronounced FORE' SIGHT

He is on call for your local advertising too. Reprints, poster, newspaper mats. Write the Advertising Department, 80 Maiden Lane, New York 8, N. Y.



“Overtaxed yourself, eh?”

Taxes in front of him — surtaxes to the right of him — deductions under him — Ogden Foresythe* in a daze called for a tax expert and gave his work sheets to the paper salvage drive.

pronounced FORE' SIGHT

Of course Ogden has known for a long time that it is better too, to call in an expert on his insurance problems. His agent reviews his policies, sees to it that they provide the proper kinds and amounts of insurance protection, keeps the policies effective and up-to-date and gives Mr. Foresythe peace of mind. For your own peace of mind call in an F. & C. agent or broker now.

THE FIDELITY and CASUALTY COMPANY
OF NEW YORK

A Member Company of

THE AMERICA FIRE INSURANCE AND INDEMNITY GROUP

BERNARD M. CULVER
President

FRANK A. CHRISTENSEN
Vice President

which includes the following companies

THE CONTINENTAL INSURANCE CO. • FIDELITY-PHENIX FIRE INSURANCE CO. • NIAGARA FIRE INSURANCE CO.
MARYLAND INSURANCE CO. • AMERICAN EAGLE FIRE INSURANCE CO. • FIRST AMERICAN FIRE INSURANCE CO.





Annual Statement

as of January 1, 1945

ASSETS

Cash in Banks and in Office.....	\$ 644,112.95
U. S. Bonds and Treasury Notes.....	1,275,858.47
Other Bonds	349,465.81
Due from Agents and Other Companies.....	570,426.09
(Current Accounts Only)	
Premium Notes (100% Secured).....	242,121.18
Stocks of Public Utilities.....	516,429.00
Stocks of Federally-guaranteed Savings & Loan Associations	135,500.00
Stocks of National Banks.....	326,492.00
Stock of Atlantic Insurance Company.....	916,822.78
(Gulf Subsidiary)	
Stock of Select Investment Company.....	306,023.59
(Gulf Subsidiary)	
Other Stocks	1,704,757.00
Mortgage Loans and Vendor's Liens.....	26,224.33
Collateral Loans	30,000.00
Home Office Building.....	50,000.00
Other Real Estate	16,201.50
Accrued Interest	7,945.36
Total	\$7,118,380.06

LIABILITIES

Reserve for Unearned Premiums.....	\$3,701,476.34
Reserve for Losses in Course of Adjustment (Excluding Liability Claims)	419,805.21
Reserve for Liability Claims.....	218,153.69
Reserve for Taxes.....	115,452.97
Other Liabilities	8,248.41
Total	\$4,463,136.62

CAPITAL FUNDS

Cash Capital	\$1,000,000.00
Net Surplus	1,355,243.44
Reserve for Unforeseen Contingencies....	300,000.00
Total	\$7,118,380.06

Surplus to Policyholders \$2,355,243.44

All Stocks carried at market value as of December 1, 1944. All Bonds carried on amortized basis.

With Bonds and Stocks carried at market value as of December 31, 1944, Surplus will be increased by \$129,656.89.

The Gulf has on Deposit with the Texas Insurance Department U. S. Government Bonds with par value of \$200,000 for the protection of policyholders everywhere.

NEW HIGH MARKS!

Increase in Assets	\$784,877
*Increase in Net Premiums Written.....	\$348,490
*Increase in Unearned Premiums.....	\$454,525
Increase in Policyholders' Surplus.....	\$198,360
(including contingency reserve)	

*These figures are for Gulf and "Atlantic," its subsidiary company.

GULF INSURANCE CO. - DALLAS

OFFICERS:

J. B. ADOUE, Jr., *Chairman, Board of Directors*

T. R. MANSFIELD, *President*

A. B. BUCHEL, *Vice President & Secretary*

R. H. McKENZIE, *First Vice President*

KELLUM JOHNSON, *Vice President & Treasurer*

PACIFIC DEPARTMENT

724 So. Spring St.
LOS ANGELES, CALIF.
VERNON C. DARGAN, *Vice President*
BRANCH OFFICE
114 Sansome St.
SAN FRANCISCO, CALIF.
R. E. MEHR, *Manager*

CENTRAL DEPARTMENT

(Supervising Indiana, Illinois and Ohio)
Chamber of Commerce Building
INDIANAPOLIS, INDIANA

HAROLD F. SWEENEY, *Resident Vice President*

NEW JERSEY OFFICE

910 Bergen Avenue
JERSEY CITY, N. J.
S. A. TAKACS, *State Agent*

GENERAL AGENTS

Reed & Company
for Colorado-New Mexico-
Wyoming
Gas and Electric Bldg.
DENVER, COLORADO

Joern General
Insurance Agency
for Iowa and Nebraska
SEWARD, NEBRASKA

Cole, Inc.
for Pennsylvania and
West Virginia
Law and Finance Building
PITTSBURGH, PA.

Parkerson General
Insurance Agency
for Louisiana
LAFAYETTE, LA.

Reprinted in part from the editorial pages of the Insurance Monitor 1871

*"I know of
no way of judging
of the future but
by the past"*

PATRICK HENRY

THE HOME INSURANCE COMPANY

The world-wide success of the HOME has been no accident. There have been certain central figures in its management—certain central ideas in its progression that have been ABIDING. The distinguished gentleman who is now its chief executive officer was one of its original promoters and officers, and, from the first hour to the present, has never for a moment ceased his vigilant watch and efficient work. An allusion to one of the official corps is, essentially, an allusion to all; unity of purpose with diversity of gifts is its vital composition; and, with a tenacity of will and an intelligence of application that have seldom been equaled in any enterprise, these gentlemen have "pulled together" for the accomplishment of their worthy design, and they have succeeded—of course.

One of the noticeable characteristics of the HOME has always been a broad and liberal recognition of the general good of the business.

It has always been a maxim of the HOME that no man was too good to be its agent. The best obtainable representative is the one it *must* have at each agency, and an adherence to this rule has massed an army of influence, intelligence and efficiency in its ranks. The agents of the HOME know how it is themselves!

Watchful at all points to secure the good and avoid the bad, the future must be the counterpart of the past, and the HOME continue, as it has heretofore been, the chosen custodian of the great trusts, and the rightful heir to the nation's confidence.

★ THE HOME ★
Insurance Company
NEW YORK

FIRE • AUTOMOBILE • MARINE INSURANCE

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Farm Companies Have New Setup for Turkey Cover

**Rate for Policy Up to
Oct. 20 Is 7 Cents, to
Dec. 31 14 Cents**

After months of study and research by agents, farm underwriters, and actuaries, and consultation with representatives of the turkey industry, a new approach to the problem of insuring turkeys has been evolved. The new program first was released last week in Minnesota, which is third in the production of turkeys countrywide, California and Texas being first and second.

Under the old arrangement, turkeys were insured at a flat rate of 10 cents per bird for a one year policy. The contract contained a 10% deductible and a \$10 minimum loss clause. The overall experience under this rate and form was extremely bad with the result that companies generally discontinued entirely writing turkey business. A serious problem was created for the turkey industry in protecting its substantial investment.

Franchise Clause

Under the new arrangement two rates have been established, based on expiration dates. The first is 7 cents per bird with the expiration date Oct. 20. The second is a rate of 14 cents per bird with the expiration date Dec. 31. The 10% deductible and \$10 minimum loss clauses have been eliminated. In their place there is a franchise clause which provides that unless each loss exceeds 1% of the total number of birds owned by the insured, the loss is borne by the turkey grower.

A standard form of application has been devised for use by the various companies. Previously no application was used. The application will develop considerable information which can be used in underwriting the risk. Among the questions are the number of turkeys on hand, the maximum number the grower expects to have on hand during the season, how many acres he uses of the turkey range, whether he confines turkeys to a definite area, whether he is sole owner, if there is other insurance, etc. Two additional questions are to be answered if the liability extends beyond Oct. 20. These are whether the turkey range will be protected by snow fences, and whether there are shelter houses which are or can be enclosed that will provide not less than a square foot of floor space for each turkey.

The limit of cover per bird is increased from \$2.50 to \$3.

To Go Into Other States

The program is expected to be introduced by other states. The plan itself reflects the growing size and importance of the turkey industry in the production of food.

Turkeys are becoming a year around food rather than a specialty for use at the Thanksgiving and Christmas seasons. Countrywide the crop in 1945 is expected to reach 39,481,000 birds, an increase of 8%. In Illinois alone the plans are for a 30% increase, which will bring the crop in that state to about 1,076,000 this year.

The different expiration dates with the double rate for the extra 70 days

(CONTINUED ON PAGE 15)

Text of Insurance Bill as It Is Sent to the President

Following is the insurance bill as it went to the President:

An act to express the intent of the Congress with reference to the regulation of the business of insurance.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that the Congress hereby declares that the continued regulation and taxation by the several states of the business of insurance is in the public interest, and that silence on the part of the Congress shall not be construed to impose any barrier to the regulation or taxation of such business by the several states.

Sec. 2. (a) The business of insurance, and every person engaged therein, shall be subject to the laws of the several states which relate to the regulation or taxation of such business.

(b) No act of Congress shall be construed to invalidate, impair, or supersede any law enacted by any state for the purpose of regulating the business of insurance, or which imposes a fee or tax upon such business, unless such act specifically relates to the business of insurance: Provided, that after Jan. 1, 1948, the act of July 2, 1890, as amended, known as the Sherman act, and the act of Oct. 15, 1914, as amended, known as the Clayton act, and the act of Sept. 26, 1914, known as the federal trade commission act, as amended, shall be applicable to the business of insurance to the extent that such business is not regulated by state law.

Sec. 3. (a) Until Jan. 1, 1948, the act of July 2, 1890, as amended, known as the Sherman act, and the act of Oct. 15, 1914, as amended, known as the Clayton act, and the act of Sept. 26, 1914, known as the federal trade commission act, as amended, and the act of June 19, 1936, known as the Robinson-Patman anti-discrimination act, shall not apply to the business of insurance or to acts in the conduct thereof.

(b) Nothing contained in this act shall render the said Sherman act inapplicable to any agreement to boycott, coerce, or intimidate, or act of boycott, coercion, or intimidation.

Sec. 4. Nothing contained in this act shall be construed to affect in any manner the application to the business of insurance of the act of July 5, 1935, as amended, known as the national labor relations act, or the act of June 25, 1938, as amended, known as the fair labor standards act of 1938 or the act of June 5, 1920, known as the merchant marine act, 1920.

Sec. 5. As used in this act, the term "State" includes the several states, Alaska, Hawaii, Puerto Rico, and the District of Columbia.

Sec. 6. If any provision of this act, or the application of such provision to any person or circumstances, shall be held invalid, the remainder of the act, and the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected.

Bass Heads Buyers

The Midwest Insurance Buyers' Association has elected R. S. Bass, Staley Manufacturing Company, Decatur, Ill., chairman of the board; A. L. Kirkpatrick, insurance editor of the Chicago "Journal of Commerce," president; T. J. Sullivan, assistant secretary, Inland Steel, vice-president; Don L. Powell,

Saves \$5 Premium; Loss \$1,800

A decision of the Iowa supreme court in favor of the insurer in Iowa Electric Co. et al. vs. Home emphasizes the fact that very often a utility company or other assured in deciding against insuring all of its properties and excluding those properties that it feels are like pig iron under water so far as susceptibility to fire loss is concerned, turn out to be outsmarting themselves. In this case a hydro generating plant which was constructed as part of a dam in Anamosa, Ia., suffered fire damage. It was a small all-concrete building except for the roof. There was no fire in the building nor any switches.

David E. Larson, Illinois state agent of Home, at the trial before the Linn district court testified that the original recommendation was that the electric company insure all of its property but the insured went over the proposed schedule and among other things decided against insuring this hydro plant even though the premium was only about \$5, on the theory that it was not subject to fire loss; but in some way the roof caught fire and fell through damaging the equipment, the entire loss amounting to about \$1,800.

Brings Legal Action

Iowa Electric Co. brought an action contending that coverage under its \$70,000 policy extended to this hydro plant under the terms of an endorsement stating that "building shall be construed to cover the entire structure including all communicating and/or connected additions and attachments..." The hydro plant was separated from the deisel plant by about 20 feet but the insured contended that control wires and conduits made the hydro plant a connected structure.

The lower court struck the testimony of Mr. Larson but the Iowa supreme court said it entertains no doubt but that Mr. Larson's evidence was properly received and erroneously stricken. The testimony was proper in order to put the court in the position of the parties and to show that they did not intend the policy to cover the property in question. The court said it feels that the Larson testimony is conclusive against Iowa Electric. To allow recovery in the face of such undisputed testimony would involve a construction of the policy contrary to that intended by the parties and result in manifest injustice.

Barnes, Chamberlain, Hanzlik & Wadsworth of Cedar Rapids were attorneys for Iowa Electric and Donnelly, Lynch, Anderson & Lynch of Cedar Rapids acted for Home.

Tax Equalization Bill Introduced in Illinois

A tax equalization bill, imposing the 2% premium tax on domestic as well as out of state insurers, has been introduced in the Illinois legislature by Rep. Granata and referred to the committee on insurance. This is H. B. 147 and amends sections 409, 410, 411 and 412 of the insurance code. The amendment alters the reading of those sections, which refer to the privilege tax, by substituting for "foreign and alien companies" the words "every domestic and every foreign and alien company," etc.

The exception of fraternal benefit societies from the tax has been retained. Apparently the suggested amendment as it now stands would apply the tax to farm mutuals.

U. S. Gypsum, secretary, and Arthur Murray, Container Corporation, treasurer.

Insurance Bill Goes to White House

**Senate Agrees to
Conference Report 8-1—
Pepper Main Opponent**

WASHINGTON—By a vote of over 8 to 1, the Senate Tuesday agreed to the conference report on the insurance bill. After signature of the compromise measure by the speaker of the House and the vice-president, it went to the White House.

Judiciary Committee Chairman McCarran remarked after the Senate vote that Congress would have to wait and see whether the bill is vetoed. If it is, the huge House and Senate majorities would appear to forecast a probable overriding of the veto.

While the President has indicated in a letter to Senator Radcliffe that he would sign something like Senator O'Mahoney's bill, for which the conference-agreed measure was substituted, it may be significant that most of the 9 votes against the latter were cast by recognized administration stalwarts: Pepper, Florida; Hill, Alabama; Kilgore, West Virginia; Green, Rhode Island; Guffey, Pennsylvania; Murray, Montana.

Overton, Louisiana, and Downey, California, also voted against it.

Two Hours Debate

The vote came after over two hours debate in which Pepper was the only speaker against the conference report.

On the other hand, the report was supported in remarks by McCarran, O'Mahoney; Murdock, Utah; Radcliffe, Maryland; Ferguson, Michigan; Barkley, Kentucky, and one or two others.

The conference report was called up late Monday afternoon, when Pepper announced his opposition. On his objection it went over until Tuesday.

"It is the best bill we could get," Radcliffe declared. "I believe it is workable."

"It is the best compromise we could work out," said McCarran.

Pepper's opposition was directed particularly at the proviso at the end of section 2(b) stipulating that after the end of the moratorium, Jan. 1, 1948, the anti-trust laws and federal trade commission act "shall be applicable to the business of insurance to the extent that such business is not regulated by state law."

Abandoning Authority

He contended that this, in effect, authorized the states to pass laws without regard to the anti-trust laws; that Congress is abandoning its authority or jurisdiction in that regard and that the states can authorize rating bureaus, rate fixing agreements and combinations which otherwise would be prohibited under the anti-trust laws.

Ferguson admitted in effect state laws could supersede anti-trust laws, except as to the latter's prohibition against boycott, coercion and intimidation and agreements to engage in such practices.

McCarran said the states would act at their own risk and that Congress could at any time assert its authority if state regulation is not satisfactory.

O'Mahoney asserted the power con-

(CONTINUED ON PAGE 10)

Fire Association Proposes Retirement Plan for Employees

The Fire Association companies at the annual meeting on March 21 will vote on an employee retirement plan which the directors have recommended. The plan will be operated under a trust indenture subject to an annual independent annual audit.

The entire cost would be borne by the companies and a reserve for past services will be paid into the fund by the companies this year. Commencing Jan. 1, 1945, all employees who have completed one year of service and are 28 years of age automatically enter the plan and will be entitled to the benefits provided they have completed 10 years of service at normal retirement date which is age 65. Eligible employees who are in uniform shall receive full credit under the plan for their period of military service.

Provision is made for retirement at age 55 at a reduced rate of benefit. The employee shall receive his benefits in monthly installments as long as he lives or he may elect to take a smaller retirement income for himself and provide a continuing income for a surviving dependent. Nothing shall prejudice the right of the employee whether his services are continued or not, to receive retirement income provided he has attained age 55 and has completed 10 or more years of service.

Benefits received by lower salaried employees, including social security represent a substantially greater proportion of annual salary than benefits received by higher salaried employees.

Seek Immediate Passage of Indiana 2% Tax Bill

INDIANAPOLIS—The flat 2% premium tax measure will have to be passed before March 1, the Indiana legislative policy committee has decided, if the state treasury is to be safeguarded against a possible loss of \$3,000,000 a year in revenue. Foreign companies now paying 3% are filing protests with their tax payments to the Indiana insurance department.

In approving the insurance tax bill, the policy committee decided that some amendments may be offered. The attorney-general is to determine whether small farm mutuals, fraternal companies, or those that do business exclusively in Indiana, can be exempted without endangering the state's tax receipts.

It is probable that the insurance tax bill will have to be passed under a suspension of the rules if it is to be operative by March 1, the deadline for tax payments.

A bill in the Indiana senate which would permit the state and governmental subdivisions to enter into insurance contracts with mutuals or reciprocals was defeated 13 to 26.

The senate has passed a house bill authorizing the establishment of firemen's pension funds in cities having less than five members in the department.

Ohio Liquor Coverage Written

All liquor stocks owned by the Ohio state liquor monopoly, amounting to more than \$16,000,000, have been completed covered by insurance against loss by fire, Gov. F. J. Lausche announced. A week earlier, the governor learned only \$7,000,000 coverage was in effect in mutuals, which imposed a provision they would not be liable for the full amount of the coverage unless the state's stocks were insured up to 90%. The stock is in several warehouses in larger cities.

Halifax has been admitted to membership in the Independent Automobile Insurance Conference of Canada.

Iowa Extends Tax, Statement Dates

A bill has been passed in Iowa to extend the time for filing annual statements and paying premium taxes from March 1 to April 1. The extension was granted because there is a bill pending to place a flat 2% premium tax on both domestic and foreign insurers and since the legislature is recessing from Feb. 23 to March 5, the date extension bill was passed so that the companies may know what the rate of tax shall be.

SWPC Director Resigns

WASHINGTON—Charging that the smaller war plants corporation is "beset with confusion and inefficiency," S. Abbot Smith has resigned as a director. It was Smith who last summer announced the SWPC decision that insurance be placed on its machinery and equipment in leased plants with individual companies through local agents, including mutuals. More recently, SWPC has reversed itself on that proposition and now places insurance itself with concerns of its own choice, charging back premiums on such policies to its plant lessees.

In a statement on his resignation Smith said small business needs a "protector-agency" in Washington which has directors chosen for familiarity with problems of small business.

Mexican Insurer in Texas

La Provincial de Mexico City has been licensed in Texas for the sale of full coverage automobile insurance for travel in Mexico. Rates are quoted per day of coverage, with discounts for terms of 30 days or more.

At the annual meeting of Western Millers Mutual Fire of Kansas City, B. L. Hupp, board chairman Loose-Wiles Biscuit Company, was elected to succeed the late R. R. Clark as a director.

Status of Premium Tax Measures in Various States

Bills have been introduced in a number of legislatures to remove the premium tax discrimination that has operated to favor domestic companies and burden out-of-state companies. The question has assumed added importance to insurers since the problem has been raised whether such tax payments will be allowed as expense deduction by the Treasury Department in figuring federal income taxes. If these taxes are disallowed as expense deduction the cost to companies will be substantial. A number of companies are paying under protest. Previously the only question about paying all state taxes customarily paid in the past has been that of possibly having to account to stockholders or policyholders for negligence in spending the company's money.

In two states laws have already been enacted removing the discrimination between foreign and domestic companies. Tennessee, which formerly had no premium tax on domestic companies, cut the tax 2½% to 2¼%, and made it apply to all companies. West Virginia, where domestic companies were also free from premium tax, made them subject to the same 2% tax that applied to foreign companies.

Applying the premium tax to foreign and domestic insurance alike bills have been introduced in the following states, none of which formerly laid a premium tax on domestic companies: Oregon, rate cut from 2¼% to 2%; Ohio, cut from 2½% to 2¼%; Maine (bill due to be introduced) rate remains at 2%, applying to all companies; New Jersey extends present 2% rate on all companies and repeals retaliatory provisions; North Dakota, rate cut from 2½% to 2¼%; Texas makes rate graded from 3% to .75%, depending on proportion of Texas investments, (and applies tax to all companies, instead of present law graded from 4.65 to 3.1 and applying only to foreign insurers; Washington from 2¼% to 2%; Wisconsin, from 2% to 1½%.

Walinder, Cryan Elected Officers of America Fore

Bert R. Walinder, manager of the farm and hail department of America Fore, Chicago, has been elected secretary. He will continue to head the farm and hail department. J. E. Cryan, assistant manager of the farm and hail department, was made an assistant secretary.

Mr. Walinder, who is president of the Farm Underwriters Association, entered the business in 1917 with Royal in Chicago. After five years he went with Continental as a bookkeeper in the farm department. In 1928 he became manager of collection department, and in 1932 farm state agent in Wisconsin. In 1938 he returned to the western department headquarters in Chicago as superintendent of the hail department. In 1940 he became assistant manager of the farm and hail department, and in 1917 manager.

Mr. Cryan has been with the company since 1929, first as an underwriter in the farm department and then in the collection division. He went to Iowa as a farm field man in 1930, and then to Nebraska in the same capacity in 1933. He became superintendent of the hail department in 1940, and assistant manager of the farm and hail department.

L. G. Patterson, adjuster for fire and casualty claims with the Hussey agency in Topeka for 18 years has resigned and is opening an independent office in Salina.



B. R. Walinder

Fire Company Experience in 1944 by Lines

	Fire		Extended Coverage		Tornado-Windstorm		Sprinkler Leakage		Riot & Explosion		Motor Vehicle	
	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses	Premiums	Paid Losses
Agricultural, N. Y.	4,983,941	2,263,923	622,592	270,849	100,575	83,315	24,742	5,174	38,610	9,152	935,139	575,286
Alliance, Pa.	1,979,954	1,007,605	225,094	105,560	40,288	44,389	12,449	5,228	39,246	2,817	308,194	154,420
American Alliance	1,913,363	873,548	211,563	91,852	60,857	41,685	15,653	2,282	22,894	2,249	189,877	97,728
Amer. Av. & Genl.	13,290	5,219	5,219	5,219	5	5	5	5	6	5	43,046	917
Assoc. General Fire	34,965	13,175	10,556	443	750	398	2	5	8	5	496	10
Atlantic City Fire	22,055	32,340	32,340	32,340	32,340	32,340	32,340	32,340	32,340	32,340	32,340	32,340
Bankers & Shippers	1,964,846	961,716	281,546	171,776	36,548	51,423	15,825	1,116	175	36	937,565	584,485
Birmingham Fire, Pa.	234,175	75,540	16,789	27,761	27,761	27,761	27,761	27,761	27,761	27,761	27,761	27,761
Camden Fire	4,676,633	2,008,004	645,049	285,992	90,179	122,891	20,140	3,227	35,314	4,291	1,177,430	566,779
Capital Fire, Cal.	371,154	132,203	48,318	11,414	6,826	3,584	2,893	643	41,345	144	41,345	15,702
Carolina National	16,615	6,515	6,515	6,515	2,995	298	12	12	12	12	405	24,804
Cavalier	939,977	503,802	112,547	52,789	20,144	22,194	6,224	2,814	19,623	1,408	154,097	77,210
Central, Baltimore	2,811,939	999,950	112,324	56,136	30,749	36,700	4,978	1,665	12,665	2,211	11,799	14,709
Com. Stand. F. & M.	103,156	3,956	45,096	402	7,486	851	14	14	290	24	352	778
County Fire	487,771	221,217	45,940	18,667	15,921	8,337	4,480	667	6,316	469	38,617	19,755
Detroit F. & M.	869,919	395,065	88,252	37,037	28,093	16,674	7,610	1,123	10,895	910	76,592	39,300
Eagle Fire	636,541	437,208	38,367	14,110	7,137	6,103	2,212	332	1,350	35	1,435	778
Economy, O.	22,189	4,197	9,507	1,126	1,126	1,126	1,126	1,126	1,126	1,126	31,541	27,309
Empire State	1,247,235	565,994	155,723	67,712	25,143	20,813	6,185	1,295	9,652	788	246,284	148,846
Equity Fire	42,011	10,000	5,931	601	601	601	601	601	601	601	24	24
F. & G. Fire	3,135,136	1,256,739	234,659	79,025	62,607	12,912	2,745	29,816	1,199	2,995,505	1,411,951	1,411,951
General Security	2,369,747	1,208,800	210,382	98,102	32,650	26,850	13,074	3,320	34,373	2,152	41,456	31,903
Great American	11,726,371	5,394,192	1,526,863	706,364	347,188	325,144	76,226	10,641	155,823	17,222	1,459,227	755,158
Great Eastern	60,465	24,970	5,415	2,008	26	24	40	256	256	256	28,935	12,793
Home, Hawaii	143,945	18,634	10,035	1,700	1,700	1,700	1,700	1,700	1,700	1,700	70,562	21,168
Jersey	1,221,476	627,327	182,359	111,146	23,721	33,471	10,307	728	110	23	597,070	312,486
Keystone Auto Club	14,831	1,649	2,490	2,263	25	5	5	1,103	16,546	318	255,576	69,049
Lumbermen's, Pa.	980,949	537,074	119,967	57,587	15,423	13,800	4,991	667	6,216	459	38,617	19,755
Massachusetts F. & M.	487,771	220,855	45,940	18,667	15,921	8,337	4,480	667	6,316	469	38,617	19,755
Natl. Capital, D. C.	82,126	25,045	5	2,052	546	546	546	546	546	546	23,116	15,498
National Grange	83,889	45,248	45,248	45,248	45,248	45,248	45,248	45,248	45,248	45,248	134,073	24,513
National Reinsur.	868,208	453,468	71,289	13,206	32,787	38,462	3,242	293	9,939	1,417	20,120	44,370
National Security	329,892	167,934	17,593	6,715	7,298	7,298	2,075	871	6,541	470	51,866	25,737
Natl. Union Fire	6,226,917	3,226,865	1,218,252	394,662	180,632	106,762	22,236	3,214	141,748	47,889	1,438,076	944,721
N. Y. Underwriters	1,379,142	659,872	149,016	48,452	24,697	23,530	5,733	869	14,922	1,555	160,575	83,498
North America	17,599,592	8,956,498	2,000,839	938,311	353,111	294,573	110,661	46,472	348,859	25,044	2,739,505	1,372,530
Northwestern F. & M.	508,034	232,932	53,115	21,925	21,054	14,596	14,596	5,822	5,822	450	74,748	36,721
Pacific Fire, N. Y.	2,124,595	1,146,408	328,961	200,324	42,867	60,633	2,100	1,925	41	1,045,853	608,041	608,041
Philadelphia Natl.	408,729	221,083	49,986	23,994	6,426	5,750	2,042	459	6,894	132	72,783	54,288
Potomac	1,530,383	508,177	244,589	37,340	17,547	68,094	1,853	493	14,494	412	1,310,173	586,009
Premier	2,046,363	1,112,205	179,646	32,738	70,406	82,158	8,078	748	20,914	3,626	38,161	72,126
Reinsur. Corp., N. Y.	388,492	212,115	60,079	12,731	10,365	5,377	1,440	220	3,734	74	21	118,053
Reliance	665,887	356,250	79,978	38,391	10,282	9,200	3,267	735	11,030	72	118,053	86,861
Rochester American	869,919	395,065	88,252	37,037	28,093	16,674	7,610	1,123	10,895	909	76,592	39,300
St. Louis F. & M.	241,703	79,443	139,633	25,825	7,089	3,102	7,100	823	100,682	62,001	100,682	62,001
St. Paul F. & M.	7,010,895	3,023,118	997,962	411,657	428,804	373,014	27,105	8,228	548	2,497,848	1,198,554	1,198,554
Security Fire, Ind.	478,791	265,263	122,384	25,501	40,313	49,154	1,057	842	29,514	29,514	29,514	29,514
Selected Risk Fire	29,525	8,615	8,615	8,615	4,211	2,919	25	4	4	4	68,576	14,762
Twin City Fire	276,720	160,352	16,651	4,885	4,211	2,919	25	4	4	4	14,950	7,344
Universal	1,252	11,616	229	137	137	137	137	137	137	137	646,973	536,375
Washington F. & M.	321,191	67,574	150,996	25,690	16,250	3,102	78	50	1	1	110,495	66,554

*Includes adjustment and investigation expense.

Adopt Okla. 4% Tax, with Graduated Investment Credits

OKLAHOMA CITY—The Oklahoma legislature has passed a bill imposing a 4% premium tax on all foreign and domestic companies, life, casualty and fire, with graduated exemptions allowed, depending on percentage of investment in Oklahoma securities. Companies having 30% investment in Oklahoma securities are subject to no tax. Exemption begins with 2% of total assets invested in Oklahoma. Each increase of 2% reduces the tax $\frac{1}{4}$ of 1%. The bill carried the emergency clause.

Royal-Liverpool Group Results Are Reported

Royal-Liverpool has issued its report on the underwriting results of the fire companies, showing total net premiums of \$50,353,044; losses incurred \$23,987,680; adjustment expenses \$1,787,663; taxes \$1,765,887; general expenses \$18,703,347; trading gain \$4,708,467; increase in premium reserve \$3,941,310, underwriting gain \$767,157.

In the fire department premiums totaled \$40,777,233 and there was an underwriting loss of \$2,349,636 or 5.76%.

Marine premiums totaled \$9,575,811 and there was an underwriting gain of \$3,116,793 or 32.55%.

Hartford Buys Property Adjoining Home Office

A two-story building, located just east of the home office, has been purchased by Hartford Fire.

Considerable space on the premises has for sometime been leased by Hartford Accident and has been completely remodeled to provide a large classroom, several conference rooms, an insurance library and an office for the school supervisor. The auto equipment and expense department, which supervises the company's fleet of cars, is also located in this building.

The school facilities are now being used for the instruction of company personnel and will be available for the training of returning veterans. The various rooms have been decorated with murals which show the application of insurance and bonds to various types of industries.

McLennan's Am. Auto Holdings Offered for Sale

Seventy-five thousand shares of American Automobile \$4 par stock have been registered with the SEC. Of these shares 50,000 are being sold by Catherine N. McLennan and Woodbury S. Ober, executives of the will of D. R. McLennan, who was chairman of Marsh & McLennan, and 25,000 are being offered for the account of Mrs. McLennan. Underwriters are G. H. Walker & Co., St. Louis; Kidder, Peabody & Co., and Huff, Geyer & Hecht, New York.

Mr. Ober, son-in-law of Mrs. McLennan, is head of the investment department of American Auto.

Dressel Backs Ohio Rating Bill

COLUMBUS, O. — Superintendent Dressel is backing a bill giving the state the right to regulate fire rates. "At present the state has no control over these rates," he said. "If we don't regulate them, the federal government will."

Pfafflin Ind. Rate Supervisor

E. W. Pfafflin has been appointed rate supervisor of the Indiana insurance department by Commissioner Pearson, succeeding Cloyd A. Ruff. Mr. Pfafflin was formerly with the Indiana Inspection Bureau but has lately been engaged in civilian work for the navy.

H. A. Clark Heads Oil Syndicate

H. A. Clark, Firemen's, was elected president of the Oil Association at the annual meeting at Chicago Tuesday. S. M. Buck, Great American, was elected as a vice-president, and J. C. Harding, Springfield, was reelected a vice-president. H. R. Hanawalt, National, is secretary. Directors are W. N. Achenbach, Aetna Fire; C. H. Smith, Hartford, the retiring president; Bert Jochen, American; Bradford Smith, Jr., North America; Ivan Escott, Home; Ray Decker, Royal-Liverpool.

C. N. Comegys, manager, reported that the year's operations were satisfactory.

Test Suit on Ohio Tax by Prudential

COLUMBUS—Suit is to be filed by Prudential to prevent the state from collecting the $\frac{1}{2}$ % premium tax. It is announced that many companies have already sent checks to either the state treasurer or the insurance department, with the announcement that the taxes are paid under protest. Some of the companies have sent letters with their checks in which they declared that the tax was unconstitutional and discriminatory. The tax is due by March 1.

It is understood that the Ohio life companies will oppose the suit through cooperation with the attorney general, who will have to defend the insurance department in the action. When the new tax bill comes before a committee of the legislature the Ohio life companies also will appear against it. It is understood that other Ohio insurance companies, at conferences the past week, decided not to formulate a program of action, but to await developments.

It is understood that an attorney representing Prudential, Massachusetts Mutual Life and Northwestern Mutual Life had arrived in Columbus Tuesday afternoon prepared to deliver to the state treasurer checks in payment of the companies' premium tax for the first half of 1944, making the payments under protest.

A.M.A. Insurance Parley for New Yorkers Mar. 21-22

While the big annual conference of the American Management Association insurance division was recently canceled the division will hold its annual meeting March 21-22, as a local gathering with attendance restricted to those living or working in the New York area.

The association plans to give full and quick reports concerning the conference to all those who would normally attend but cannot under the present conditions.

Among the topics to be discussed are loss settlements and corporation income taxes; wartime problems of fire waste control; federal supervision of insurance; the returning veteran and your insurance program (a panel discussion); the new boiler and machinery policy; what does the buyer need and want; group permanent life insurance; and here is my problem (a case history panel discussion).

Railroad Fires \$2½ Million

Railroad property was damaged to the extent of \$2,406,236 last year by fire, according to a report by W. C. Neely, president of Mutual Fire, Marine & Inland. Smoking was blamed for losses totaling \$1,115,985.

Herbert L. Sloan, Emporia, Kan., who turned over his agency to Marshall Randal when he went into the navy has taken back his old agency since his recent release from the navy.

Indiana May Adopt N. J. Tax Bill on Premiums

INDIANAPOLIS—The proposed 2% premium tax measure being considered by the Indiana legislature is likely to be replaced by a bill patterned after the New Jersey bill which is now under consideration in that state. The 2% in that draft is charged after certain defined reductions have been made from the gross premiums.

The Indiana legislature scheduled to adjourn next Monday has passed none of the 29 bills that have been introduced which would affect the interests of agents. A house bill defining an agent as one operating on either a commission or salary basis was put to sleep with a vote 73 to 10 against it. The present law defines an agent as one who operates on a commission basis. There is a suit in the Marion county superior court at Indianapolis which seeks to have this section declared unconstitutional.

The senate bill which sought to qualify reciprocal exchanges for writing of public property was killed with a vote of 26 to 13.

The compulsory automobile bill in the house in languishing will probably not get farther in view of the heavy pressure on the lawmakers for the few remaining days of the session.

New Stock Company Takes Over General Ind. Exchange

ST. LOUIS—The recently organized St. Louis Casualty & Surety has reinsured the casualty business of General Indemnity Exchange of St. Louis, which ceases writing business as of March 1. St. Louis Fire & Marine has reinsured its automobile fire, theft and collision insurance.

General Indemnity Exchange started business in 1917, and was licensed in Missouri and Illinois. It has been writ-automobile, public liability and compensation insurance. In 1943 it had total premiums of \$80,000 and losses paid of \$14,032. At the end of 1943, it had \$373,779.80 assets and surplus to subscribers of \$164,690.

P. J. McGuire, who was president and treasurer of General Service Corporation, attorney-in-fact for the reciprocal, recently was elected president and treasurer and a director of St. Louis Casualty & Surety, which has \$200,000 capital and \$144,000 surplus. P. McG. Turville is vice-president and Clark P. Fiske, secretary. Directors include H. D. Heuer, Frank C. Blumeyer, C. W. Buschman, Chris J. Muckerman, Edgar M. Jennings, L. H. Trout, F. J. O'Leary and Jerome G. Myer.

Fire Waste Council Meeting

WASHINGTON — The executive committee National Fire Waste Council will meet at the U. S. Chamber of Commerce here April 12. To the next days' council meeting about 40 are being invited, compared to past attendance of 100.

Speakers scheduled at the latter meeting include Col. Warden, OCD fire protection section; Percy Bugbee, general manager National Fire Protection Association; Richard E. Vernor, Western Actuarial Bureau, Chicago; Eugene Arms, Mill Mutual Fire Prevention Bureau; Ralph Bradford, U. S. chamber general manager.

Harry Pontius, Farm Bureau Mutual Fire of Columbus has been invited to discuss disposal of government surplus fire fighting equipment after the war.

Compulsory Bill in N. C.

RALEIGH, N. C.—A compulsory automobile liability insurance bill has been introduced in the North Carolina legislature.

W. H. Moore, operator of the Central Kansas Adjustment at Wichita who has been confined to the hospital in Wichita for two weeks following a minor operation, is improving and expects to be released early in March.

Factory Mutual Losses \$5,764,000

Total net losses of the factory mutual companies in 1944 amounted to \$5,764,000. This compares with the 1943 record of \$4 million. There were 3,253 fires reported with a net loss of \$3½ million. The number of fires decreased 7% but the amount of damage increased 33%.

The outstanding loss amounted to \$567,000. It started in a large wooden fiber board dryer of a paper mill. Sprinklers were shut off before the fire was put out due to a wrong assumption that it was under control. There were two other fires exceeding \$100,000. The first involved \$142,000 loss to a building of a plant leased to a government agency for lend-lease storage. The building was so crammed with goods that floors were overloaded and collapsed, sprinkler pipes broke and the water was shut off. The contents which were not insured by Factory Mutuals, were a total loss estimated at several million dollars.

Loss in Drug Plant

The other large loss of \$181,000 occurred in a drug plant of good non-combustible construction where pyroxylin plastic bottle caps were being used. A cutting torch was unwisely being used near a large storage pile of caps. The acetylene hose broke and escaping gas caught fire.

There were 139 explosions with a net loss of \$285,000. The largest of \$167,000 resulted from the escape of flammable vapors from an extraction process and the destruction of the building in which it was housed.

There were 219 lightning losses with net damage of \$69,000; 306 sprinkler leakage losses with damage totalling \$125,000. One loss was caused by an elevator breaking the sprinkler pipe in the top of the shaft.

There were 859 wind losses for \$982,000. Of these 433 totalling \$752,000 occurred during the September hurricane. This compares with the 1938 storm when 984 plants were paid a total of \$5,700,000. The 1944 hurricane was almost as severe as the 1938 storm but it kept more to the eastward and passed out to sea thus avoiding the most congested industrial areas and only one loss exceeded \$100,000. This was \$137,000 loss in a cotton mill where a section of the roof lifted and sprinkler pipes were broken.

There were 57 vehicle losses totaling \$73,000; 532 U. & O. losses totaling \$728,000. The largest of \$75,000 was the result of the destruction of the cotton mill in the hurricane.

M. W. Broockmann in Mo. Field for National

Special Agent Mearl W. Broockmann of the Chicago engineering department of National Fire is being transferred to Missouri to succeed James W. Kent, who is resigning to become associated with the Robert B. Murray agency at Springfield, Mo.

Mr. Broockmann graduated from Armour Institute of Technology in 1934, after which he was connected with the Indiana Inspection Bureau for nine years. He joined National in 1943. His headquarters will be at Kansas City under the general supervision of State Agent Beistle.

Tennessee Rating Bills Slated to Be Passed

NASHVILLE—The fire and casualty rating bureau bills sponsored by Commissioner McCormack of Tennessee are expected to be passed this week and signed by Governor McCord. The assembly is slated to adjourn March 2.

Smith to Ne

Worth president of Lancashire & Kenton, a president of the guard, been elected president as well.

C. W. Lear has been secretary of U. S. London & Union & has been superintendent of Orient &

Pa. Mi Divide

Pennsylvania May policyholders number fire commission in re

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Smith and Chappellear to New L. & L. Group Posts

Worthington W. Smith, who is vice-president and manager of London & Lancashire Indemnity and vice-president of Safeguard, has now been elected vice-president of Orient as well.

C. W. Chappellear has been made secretary of the U. S. branches of London & Lancashire and Law, Union & Rock. He has been agency superintendent. He is also secretary of Orient and Safeguard.



W. W. Smith

Pa. Millers Mutual Cuts Dividends to 20%

Pennsylvania Millers Mutual, effective May 1, is reducing the return to policyholders from 25 to 20%. A large number of the general writing mutual fire companies have taken similar action in recent years.

Tax Liability Bill in Mich.

LANSING, MICH.—A bill has been introduced in the Michigan senate to safeguard officers of insurers against possibility of personal liability arising for tax payments to the state in view of the U. S. Supreme Court insurance is commerce decision.

A senate measure, drafted by the insurance department, calls for modernization of the insurance code.

Lee Gulberg, manager at Sioux Falls, S. D., of the social security board, addressed the **Sioux Falls Association of Insurance Women** on "Social Security and How It Works."

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MARSHALL STEVENS
VALUATION SERVICE VALUATION QUARTERLY

W. Va. Premium Tax Put on Domestic Insurers

The West Virginia legislature has passed a bill making premium taxes applicable to domestic companies as well as foreign. The rate of tax is 2%.

Forms Atlantic City Branch

Fire Companies' Adjustment Bureau has opened a branch office at Atlantic City to handle losses in Atlantic and Cape May counties. It is in the Guarantee Trust building and will be a sub-

Philadelphia office. The bureau has maintained a temporary office at Atlantic City to handle the hurricane claims. The results were so satisfactory that it was decided to establish a permanent branch.

Owen J. Jones will be in charge. He has been with F.C.A.B. at Harrisburg and Reading, Pa.

Plan SWIS Meeting at Topeka

Kansas SWIS announced a one day inspectors conference will be held at Topeka April 13 at which there will be a number of prominent speakers includ-

ing Lt. Col. C. J. Frankforter and John Morrison, Kansas labor commissioner. New responsibilities will be outlined and Gov. Andrew Schoepel, Commissioner Hobbs and Fire Marshal Werbe will participate. The new accident prevention program will be outlined and inspection procedure explained. V. E. Herbert, assistant director and secretary, is in charge of the program.

The **Insurance Women of Cleveland** will entertain their executives at the annual banquet on March 8. Eugene F. Gallagher, Ohio Inspection Bureau, will speak.

Agricultural Insurance Company

of Watertown, N.Y.

ADMITTED ASSETS

Real Estate	\$ 303,892.75
Mortgages (1st Liens)	1,135,187.04
*Bonds and Stocks	13,813,193.48
Loans on Collateral	23,500.00
Cash in Banks and Office	2,131,221.63
Net Uncollected Premiums, not over 90 days	1,492,079.34
Other Admitted Assets	234,343.44
	\$ 19,133,417.68

*At actual market values, this figure would be increased by \$117,253.99.

LIABILITIES

Reserve for Unearned Premiums	\$ 7,429,066.37
Reserve for Unpaid Losses and Loss Expense ..	2,750,478.58
Dividend Declared and Unpaid	120,000.00
Reserve for Taxes	258,700.00
Voluntary Reserve for Contingencies	400,000.00
Other Reserves and Liabilities	136,712.11
Capital	\$3,000,000.00
Net Surplus ..	5,038,460.62
*Surplus to Policyholders	8,038,460.62
	\$ 19,133,417.68

Securities carried at \$504,384.30 are deposited as required by law.

92nd ANNUAL STATEMENT

December 31, 1944



Empire State Insurance Company

of Watertown, N.Y.

ADMITTED ASSETS

*Bonds and Stocks	\$ 4,558,129.67
Cash in Banks and Office	217,015.42
Net Uncollected Premiums, not over 90 days	178,132.56
Other Admitted Assets	23,915.57
	\$ 4,977,193.22

*At actual market values, this figure would be increased by \$30,569.33

LIABILITIES

Reserve for Unearned Premiums	\$ 1,836,955.90
Reserve for Unpaid Losses	643,584.56
Reserve for Taxes	70,300.00
Voluntary Reserve for Contingencies	50,000.00
Other Reserves and Liabilities ..	26,244.91
Capital	\$ 1,000,000.00
Net Surplus	1,350,107.85
*Surplus to Policyholders	2,350,107.85
	\$ 4,977,193.22

Securities carried at \$295,242.46 are deposited as required by law.

17th ANNUAL STATEMENT

December 31, 1944

FIELD

Phoenix of London
Opens Wis. Unit

MILWAUKEE — The Phoenix of London group has opened a Wisconsin service office at 611 North Broadway, here. Richard A. Kenzel, who has been Wisconsin state agent for Phoenix since 1942, has been named resident manager; Russell L. Robinson, special agent; Frank G. Berry, claims manager, and Thomas H. Quiry, supervisor of inspection and safety engineering service.

Mr. Kenzel is widely known as grand wielder of the Blue Goose. He started in the business in 1916 at the head office of Home. In 1927 he went with National Liberty in the underwriting de-



R. A. Kenzel

partment and after a short time in Pittsburgh, he joined Northern Assurance. After association at the head office he was later assigned to field duties and was with Northern as Wisconsin state agent until resigning in 1942 to become state agent for Phoenix.

The office will provide facilities to agents for all forms of fire and casualty insurance, fidelity and surety bonds.

L. Z. Brown, Jr., in Okla.
Post of Millers National

L. Z. Brown, Jr., of Oklahoma City, has succeeded B. T. Overand as Oklahoma state agent for Millers National and Illinois Fire. Mr. Overand has joined the general agency of E. K. Schultz & Co., Philadelphia.

Mr. Brown has been in the insurance business since 1932 when he left Oklahoma A. & M. College to go into business with his father. He has had previous home office and field experience and until his recent appointment was a member of the American Insurance Service Company, a local agency of Oklahoma City.

Honor George Gross in Ohio

The 77th birthday anniversary for George G. Gross, state agent of Fire-

men's in northeastern Ohio, held at Cleveland, was arranged by Wm. F. Castle, Cuyahoga county manager of the Loyalty group and was attended by 11 field men and underwriters of the Cleveland branch; James M. Modarelli, attorney, Youngstown; Lawrence Shoemaker, special agent and Bruce R. Howard, state agent, Toledo.

Congratulatory messages addressed to Mr. Gross were read by Mr. Castle, many of them from company executives from over the country who have been long time friends of Mr. Gross. This year marks Mr. Gross' 57th year in insurance. He was presented a handsome sport jacket and other gifts.

Inspect Duluth May 16-17

The Minnesota Fire Prevention Association will inspect Duluth May 16-17. R. E. Vernor, Western Actuarial Bureau, will be the speaker.

Linnell Dakota Speaker

Thomas G. Linnell, most loyal grand gander, will address a meeting of the Dakota Blue Goose, which embraces both North and South Dakota at Aberdeen, S. D., March 22. He will be accompanied by M. B. Ryon, manager of the Fire Underwriters Inspection Bureau of Minneapolis.

S. P. Clark Back from Navy

Sidney P. Clark, who has been a naval reserve officer for 27 months, stationed most of that time at Norfolk, has been released and has resumed his duties as regional manager of Royal-Liverpool for Virginia, North Carolina and South Carolina with headquarters in Richmond. Robert C. Reid, who was transferred from Atlanta to handle Mr. Clark's work in Richmond while he was away, is returning to Atlanta.

Ill. Blue Goose Stag March 19

The Illinois pond of the Blue Goose will hold a stag party March 19 at the Skyline Club, 188 West Randolph, studio C, Chicago. The affair will start off with a buffet dinner at 6:30 p.m. Ward Beauchamp, Home, and E. H. Miller, Jr., North British, are in charge of the affair.

Map Introductory Course

NEWARK—Field men have taken an important part in the National Association of Insurance Agents' educational program and many have taken the courses of study, G. W. Scott, educational division director of the association, told the New Jersey Field Club. Mr. Scott said an introductory course is being prepared and there is need for a course of this type. It is hoped, he said,

50-Year Man

W. H. Unger, state agent of Royal and Newark in Minnesota, completes 50 years in the business March 1. He started with Pennsylvania Fire in Chicago when the western department was located in the Woman's Temple building. Chas. H. Barry and John H. Davis were co-managers. The western department had been opened just two months earlier. Mr. Unger started as an office boy, then became map clerk and then examiner. He stayed with Pennsylvania 25 years terminating his services with that company as state agent in Minnesota. He then became associated with the Chas. W. Sexton local agency at Minneapolis for two years and then became state agent of Royal and Newark.



W. H. Unger

that field clubs will furnish many of the discussion leaders for the course.

Crum & Forster Field Parley

Western department field men of Crum & Forster held their annual meeting in western department headquarters at Freeport, Ill., early this week.

McCurdy to New Hampshire in L. A.

William L. McCurdy has been appointed special agent of New Hampshire in charge of the Los Angeles service office. He was formerly southern California special agent of Fire Association. Carl Parsons, who has been a special agent in Los Angeles, will continue in that capacity as assistant to Mr. McCurdy.

Honor Trenbath in San Francisco

E. W. Trenbath, Norwich Union, Seattle, grand keeper, will be the honored guest at the annual ceremonial and banquet of the San Francisco Blue Goose March 5.

Joins Fireman's Fund in Arizona

Warren Smith, who recently resigned as manager of Fire Companies Adjustment Bureau in Chico, Cal., has joined Fireman's Fund as special agent in Arizona. He succeeds George E. Reed, recently resigned.

Chapman to Ala. for St. Paul

Joe Chapman, assistant to the state agent of St. Paul Fire & Marine in Mississippi, has been appointed Alabama state agent with headquarters in Birmingham. W. L. Burnham, who resigned, is opening a general agency in Birmingham.

Robbins Joins Toledo Agency

William N. Robbins, special agent of the American group in Toledo, has joined the Welles-Bowen Co. agency there.

Dickerson with Crum & Forster

F. E. Dickerson, veteran field man of midwest territories for years with Norwich Union and Fred S. James, Chicago, has been appointed special agent at Spokane for Crum & Forster, for eastern Washington, northern Idaho and Montana.

Indiana Blue Goose Initiates

Nearly 100 were in attendance at the initiation of the Indiana Blue Goose Monday evening. Initiates included: B. W. Bayless, Royal-Liverpool; Lloyd V. Bonner, Underwriters Adjusting; Walter T. Boggess, L. R. Burtshi, W. E. Lewis and John W. Collins, Western Adjustment Co.; M. M. Johnson, Fort Wayne adjuster; George H. Poske, American States; M. P. Susanke, W. A. Baker and V. G. Watts, Indiana Inspection Bureau.

A. H. Wishard, Northern of England, chairman of the membership committee, reported a large number received by flight or in process of transfer from other ponds. This reflects the present shifting of field men from one state to another.

At a postponed annual meeting of the Indiana Field Men's Relief Fund, all directors and officers were reelected.

The Rochester Field Club and guests enjoyed "The Chemistry of Fire" a motion picture film supplied by the F. I. A., at their dinner meeting.

W. Marion Goodman, Virginia special agent of Continental, is the father of a baby girl.

A. M. Nelson, assistant traffic manager for United Airlines, discussed "What About the Age of Flight?" at a dinner meeting of the Seattle Blue Goose. A social hour preceded the dinner.

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COMPANIES

F. & G. Fire Advances Two

Herman Badenhop, Jr., secretary and general adjuster of Fidelity & Guaranty Fire, has been elected vice-president, and Joseph F. Danaher, assistant secretary, has been advanced to secretary. Charles H. Buck, president of the Maryland Title Guarantee Co., a director since 1931, was elected a member of the executive committee, succeeding the late Allan L. Carter.

Mr. Badenhop is rounding out 30 years of service in the loss adjustment field. He began his insurance career in 1915 with Maryland Casualty, after taking his degree in law at the University of Maryland. Later he was transferred to Elmira, N. Y., as manager of the claim department. He joined Maryland Motor Car as assistant superintendent of claims in Baltimore in 1920. He was made superintendent of the automobile claim department in 1924 and continued those duties with Maryland. Upon the organization of F. & G. Fire in 1929, Mr. Badenhop became general adjuster for the fire running mate of U. S. F. & G. He was elected secretary in 1931.

Mr. Danaher has spent his entire business career with the F. & G. Fire. After graduating from Loyola College with degree of A.B. in 1928, he joined the company as fire underwriter. Beginning in 1930 he devoted his entire attention to the company's inland marine business, and 1933 through 1936 was manager of the inland marine department in the New York office. In 1936 he returned to Baltimore as assistant manager in charge of the inland marine department. He assumed entire charge of that department

in 1943 and was elected assistant secretary in 1944.

Reinsurance Corp. Assets, Surplus, Premiums Higher

Reinsurance Corp. of New York in its new statement shows assets of \$9,020,417, an increase of \$1,068,571. Cash and government bond holdings increased \$800,000 to \$5,064,826. Such holdings are greater than all reserve liabilities.

Net premiums written before reinsurance amounted to \$10,305,650 as compared with \$9,301,710 in 1943. Net premiums retained were increased to \$3,520,650 from \$3,214,212.

Reinsurance Corp. shares two-thirds of the risks it assumes with National Reinsurance and the 12 member companies of the Excess Reinsurance Association. There was a gain from underwriting and investment operations of \$465,383 as compared with \$310,390 in 1943. Underwriting operations resulted in a statutory loss of \$266,420 after an increase of \$705,948 in reserve. There was a total investment gain of \$731,803.

Surplus amounted to \$3,667,906, an increase of \$267,996. At market the surplus would be \$3,869,820.

W. H. Greasley Assistant Secretary of Caledonian

William H. Greasley has been appointed assistant secretary of Caledonian, Caledonian-American, and Netherlands. Mr. Greasley first joined Netherlands in Chicago and was transferred to Hartford in 1929 when that company was taken into the Caledonian group. Prior to his latest promotion he had been chief examiner.

Loomer Agency Supervisor

The promotions of Harold F. Loomer to agency supervisor, and Louis F. Meyer and Loyd W. Edgerton to ex-

aminers are announced by Phoenix of Hartford.

Mr. Loomer was first employed by Connecticut Fire in 1910 and became examiner in 1925.

Mr. Meyer has been with Phoenix since 1920. He is past president of the Phoenix-Connecticut Men's Club and president of the Insurance Institute of Hartford.

Mr. Edgerton has been with the company since 1924 and is a graduate of the Insurance Institute of Hartford.

Capital Increase Consummated

The increase in capital of Continental from \$5 million to \$20 million and of Fidelity-Phoenix from \$3,750,000 to \$15 million was accomplished at the annual meetings. Stockholders if they so desire may exchange their present stock for new certificates but the exchange is not necessary as the par value of all shares is now \$10.

NEW YORK

J. P. JEFFREY NOW SECRETARY

John P. Jeffrey has been elected secretary of the Underwriter Printing & Publishing Co., publishers of the "Weekly Underwriter." He succeeds Percy W. Basinger, who retired in December. Mr. Jeffrey has been 22 years with the "Weekly Underwriter" as executive cashier. Miss Grace G. Snyder, who has been with the organization 49 years, was given the honorary title of vice-president.

DRUG & CHEMICAL ELECTION

Joseph C. Hanson, Jr., of the Chase National Bank was elected president of the Drug & Chemical Club of New York, succeeding A. J. Smith of Zweig, Smith & Co. Floyd N. Dull, Continental Casualty, is vice-president; Victor Williams, Monsanto Chemical Co.,

treasurer; W. A. Riordan, Automobile, secretary.

GEORGE DURYEE SPEAKS

George Duryee, assistant manager metropolitan department of Home, addressed the Richmond County Association of Local Agents at St. George, S. I.

Louis Hawes, secretary since 1926 of the Underwriters Board of Rochester, N. Y., has been appointed chairman of the fire prevention committee of the Chamber of Commerce there.

CHICAGO

YOUNG HEADS LIFE DEPARTMENT

Charles A. Andersen & Co., class 1 agency of Chicago, early in March will open a life department of which Joseph E. Young will be the manager. Mr. Young for two years has been exclusive Chicago general agent of Lafayette Life, and retains that post. Mr. Andersen has leased additional space for the new department and soon will have an opening in the new quarters, which adjoin his present office in the Insurance Exchange. He will represent Lafayette as district manager through Mr. Young. His son, Chas. A., Jr., who is associated in the office, will devote more time to the life end, assisting Mr. Young. Heretofore, he and his father have produced life business in connection with general lines and brokered it.

OFFER AID IN CLOTHING DRIVE

The Insurance Brokers Association of Illinois has requested authority to act as an agency in the UNRRA drive for used clothing.

It is proposed to install in the Insurance Exchange building, Chicago, a large container for the deposit of clothing until it is forwarded to the collection center. The association's office will be used as headquarters for the

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various insurance committees that will be named on acceptance of the brokers' offer.

PERSONNEL SEMINAR STARTS

The Chicago seminar on office personnel problems started a week ago with an enrollment of 31 members, representing mutual as well as stock companies. Sessions are held Tuesdays and will continue for five weeks ending March 20.

IN U. S. WAR SERVICE

Lt. M. A. Merritt, formerly with Travelers in Detroit, who was severely wounded on the Luxembourg-German frontier last September when he was literally blown out of a tank, is recuperating at Fitzsimmons General Hospital in Denver. He received shrapnel wounds in the head and body and a severe concussion.

Cincinnati friends of Maj. B. G. Dawes, Jr., former board chairman Eureka-Security, have been smoking some German pipe tobacco sent by him. The German label proclaims that it is genuine Virginia weed. Major Dawes has been with the army air forces for three years and overseas for two years, moving from England to France shortly after D-Day.

Lieut. W. R. Piper, formerly of the Dulaney, Johnston & Priest agency, Wichita, who completed his missions over Europe from an English air base

and returned to Wichita at Christmas, has been assigned to the Enid army air field at Enid, Okla.

Sgt. Mel Hegbom of the army medical

corps has been awarded the bronze star for action on Leyte Island. Before he entered service Sgt. Hegbom was Illinois special agent of Commercial Union.

Insurance Bill Goes to White House

(CONTINUED FROM PAGE 3)

firmed to the states would not extend over interstate combinations. He contended the reservation of the prohibition against boycotts, etc., meant the end of what he called "private regulation" by interstate industry organizations or groups, fixing rates, fixing or withholding commissions, controlling agents and their operations, etc. He cited particularly the Insurance Executives Association by-laws as an example of such "private regulation."

Williams Is Pleased

E. L. Williams, I.E.A. president, who was in the Senate gallery, expressed satisfaction afterwards that Pepper had brought up his point, because it had brought out Senatorial interpretations which, he indicated, strengthen the bill.

Murdock took sharp issue with Pepper on the legal interpretation of section 2 (b) and its effect, taken in connection with other provisions of the bill. Radcliffe defended state regulation, past and probable future, pointing out the insurance business was built up under it and withstood the depression, when other industries were "rotten."

Barkley, asserting he always believed

insurance was commerce, said he supported the conference report on assurances that he or any future Congress would not be stopped from withdrawing the concession to the states to regulate or stepping in and providing for federal regulation.

McCarran said the states must pass regulatory acts during the moratorium; "otherwise the anti-trust acts become effective." At the end of the moratorium period state and tax and regulatory authority will not be affected if Congress does not act then. He read from the House judiciary committee report the statement that Congress does not intend in this bill to clothe the states with any powers they did not have before the S.E.U.A. decision, "and we take none from them," he concluded.

However, O'Mahoney insisted the House quotation "does not in any way modify or alter any language in the conference report."

When Pepper asked whether section 2 (b) meant that after the moratorium "the states may determine whether or not" the anti-trust acts become applicable to insurance, McCarran answered, "yes," and that to the extent the states enact regulatory legislation during the moratorium "they will have taken" insurance in the respective states "out from under" the anti-trust and federal trade commission acts. But, said McCarran, the bill does not go so far, as Pepper suggested, as to authorize the states to determine whether federal law "shall be effective in the American union."

Defeating the Decision

Pepper insisted the bill, particularly section 2 (b) would defeat the Supreme Court decision. He declared the anti-trust laws should apply against insurance companies which, he said, collected in 1931-40 three times as much in premiums as they paid in losses in the southeastern states. Pepper said "the insurance companies of my state fought me because I opposed" the Bailey-Walter bill.

O'Mahoney said "there are certain agreements which can normally be made in the insurance business which are in the public interest, but which might conceivably be a violation of the anti-trust law," and he agreed with Pepper that it would be better to specify them by statute. He said he tried to induce the committee on judiciary "to write into the law specific exemptions" from the anti-trust law, "but I was unable to prevail in committee or on the Senate floor."

"I do not conceive this to be a grant

of power to the states to authorize by permissive legislation obviously adverse combinations which would be against public interest," said O'Mahoney. He added that a rating bureau would be permitted under the bill.

White, Maine, said after the states legislate, the federal laws listed in the section "apply throughout the whole field beyond the scope of the state's activity."

McCarran agreed with Barkley that where states "attempt to occupy the field—but do it inadequately—by going through the form of legislation" so as to deprive the federal acts named of their jurisdiction, the federal laws would apply.

"The bill practically destroys the effect of the Supreme Court decision," said Pepper. He did not oppose state regulation "not inconsistent with" the anti-trust laws, but "we should not give the insurance companies immunity from the applicability of those acts."

WAY SEEMS CLEARED

The long fight over insurance legislation advanced another step toward solution when the joint conference committee of the two houses of Congress agreed unanimously on a conference report on the bill, for submission to both houses. With the signature of Senator O'Mahoney, Wyoming, attached, it is understood the conference-agreed-upon bill is satisfactory to the administration, and will be signed by the President, after adoption by both houses.

While administration leaders expressed the belief that the agreement demonstrates that the fight made in behalf of the administration was well worth-while, it is believed the compromise conference report is, in the main, acceptable to various elements of the insurance industry. Nobody got everything he wanted, apparently, but, as a whole, the outcome is generally regarded as a fair compromise. Senator Radcliffe, Maryland, perhaps expressed the prevailing sentiment when he said: "I think, on the whole, it is a good bill."

The conference report was finally signed at a second session of the conferees last Thursday afternoon. At their first session Wednesday afternoon there was a tentative agreement, not signed by all, however.

Hill Blocks Action

Following final agreement, Senator McCarran, Nevada, conference chairman, sought to get the conference report up for action in the Senate Thursday, by unanimous consent. However, Senator Hill, Alabama, democratic whip, who had the floor, would not yield for that purpose. Senator LaFollette, Wisconsin, objected on the ground that few Senators were present and many others were interested. He proposed to call for a quorum, but the



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matter was dropped and the conference report went over.

Later in the day, the "papers in the case" were sent over to the House and House Judiciary Committee Chairman Sumners obtained unanimous consent to file the conference report there before Thursday midnight. That made consideration of the matter in the House on Friday in order as a privileged matter, under the rules, which require a conference report to lay over for a day and be printed before being considered.

Meanwhile, the Senate, having recessed from Thursday to Monday, could not act on the conference agreement before this week.

Compromise Agreement

As agreed on in conference the bill "leans" mostly towards the compromise agreement bill with Senate amendments, administration suggestions and "clarification" by the conferees of provisions relative to the anti-trust laws, the federal trade commission and Robinson-Patman acts, insurance observers here believe.

Important House amendments to the bill retained by the conference committee, however, were: (1) elimination of the statement of purpose of the moratorium from the anti-trust laws; (2) elimination of the Ferguson Senate amendment; (3) uniform moratorium period until January, 1948, with relation to both the Sherman and Clayton acts; (4) inclusion of the merchant marine act, 1920, among the laws not to be affected by the proposed new law.

On the other hand, the so-called Murdock amendment, left out of the bill by oversight, apparently, in the Senate, was incorporated in the conference bill. It provides that nothing in "this act" (the new bill), instead of nothing in section 4(b) of the bill, shall render the Sherman act inapplicable to boycott, coercion, or intimidation.

Also, in the same section, it is believed Senator O'Mahoney, Wyoming, and the administration, gained a point by inclusion of a provision under which the Sherman act would be applicable to "agreements" to boycott, etc.

The language of this amendment was

Mrs. Sarah M. Napier, whose husband, Richard A. Napier is head of the R. A. Napier & Co., class 1 agency of Chicago, died at her home in Blue Island, Ill., at the age of 78. She was a former treasurer of the National Congress of Parents & Teachers and a former member of the Blue Island school board. Her son, R. F. Napier is with the Napier agency, as is her son-in-law C. Martin Rohe.

Mrs. Napier was a director of the Garden Club of Illinois. The Napier peony gardens at Blue Island have for years been famed.

Josiah L. Eldredge, 75, president of the Eldredge & Sons agency, Wareham, Mass., died suddenly of coronary thrombosis. Two sons, Leroy L. and Howard R., were associated with him in the agency.

The Surety Underwriters Association of Southern California will hold its annual dinner party and show March 9 in Los Angeles.

changed, however, to approximate that suggested by Rep. McCormack, Massachusetts, House majority leader, after consulting with the Department of Justice.

This language clarifies the so-called O'Mahoney amendment which had inserted the words "agreement or," before the word "act", in the compromise bill. This change is believed to satisfy industry fears that that original amendment could have been used by the department as basis for investigation of and attacking any kind of "agreement" among insurance companies.

The text of the old Senate Ferguson amendment to section 2(b), stricken out by the House, was left out by the conferees. It provided that no federal law, except the Sherman and Clayton acts, shall be construed to invalidate, impair or supersede state insurance taxation and regulation laws. However, as a substitute, the conferees recommended striking out the words "so provides" and the period at the end of section 2(b) of the House bill and addition of the following language after the word "specifically": "relates to the business of insurance: Provided that after Jan. 1, 1948, this act of July 2, 1890, as amended, known as the Sherman act, and the act of Oct. 15, 1914, as amended, known as the Clayton act, and the act of Sept. 26, 1914, as amended, known as the federal trade commission act, shall be applicable to the business of insurance to the extent that such business is not regulated by state law."

This provision does away with possible blanket permanent repeal of the anti-trust laws, as related to insurance, which it was claimed by some that section 2(b) of the compromise bill introduced early this session of Congress would have provided for. That was the supposed purpose of the Ferguson amendment also—to make state laws and regulations "subject" to the anti-trust laws.

Moratorium on FTC Act

This idea is now carried further by including the federal trade commission act, along with the anti-trust laws, as being applicable to insurance, after the moratorium. However, such applicability would be limited to the extent that the business "is not regulated by state laws."

Section 3, which, in the compromise agreement, the House and Senate bills, provided for complete, permanent exemption of insurance from the federal trade commission act and the Robinson-Patman anti-discrimination law, was stricken entirely by the conferees.

Sections Are Renumbered

With elimination of section 3 it became necessary to renumber the sections of the bill after section 2(b), section 4 becoming section 3, and so on.

Rep. Walter, House conferee, had expressed the opinion in advance of the conference committee meeting last Wednesday that they could complete their job in half an hour. However, the meeting lasted nearly 2½ hours until almost 5:30 p.m. During its course, Judge Sumners, leading House conferee, emerged long enough to say, "the old hen is still on." He expressed



YACHT INSURANCE STILL NEEDED!

Today's gasoline and navigation restrictions have changed the terms of many yacht policies. But they have not materially reduced the demand for insurance.

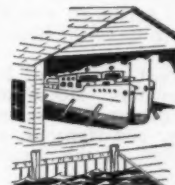
For example:



"ONE TRIP A YEAR SYSTEM" The yacht owner uses his small gas allowance to run his boat from winter storage yard to where it is anchored all summer and used for living quarters during weekends and vacations. In the fall it returns to the boatyard for winter layup. These owners can secure a policy at reduced rates when endorsed warranting such fixed anchorage with no cruising permitted. The policy covers damage by Fire, Theft, Heavy Weather and Collisions—including not only damage to the owner's boat, but his liability for collision damage to another boat as well. During the one round trip, Stranding or Striking on rocks or reefs is also covered. By the addition of Protection & Indemnity endorsement, the policy protects legal liability for Loss of Life, Personal Injury and Property Damage, occasioned through operation of the insured boat. The policy remains in force during winter layup.



"SAILING AS USUAL" A sailboat owner uses the unrationed wind to carry on his sport and hobby. Except for keeping clear of restricted waters and limiting use of auxiliary gasoline motors, he operates as before. He should carry the usual policy with full cruising privileges during the navigating season. The "P & I" endorsement should be carried.



"LAID UP FOR DURATION" Some owners have had to put aside their hobby and permanently store their boats. Often you find them carrying a fire only policy, when they really need a Full Form yacht policy, endorsed for 12-month layup, or in other words, a port risk policy. This covers fire and also such ever-present hazards as Theft, Rising Waters, Hail and Storm Damage. Larger yachts laid up and out of commission for full-year periods should have their policies endorsed for Protection & Indemnity if a captain or crew is maintained. In cases where yacht owners require other labor, the Longshoremen's and Harborworkers' Endorsement (Federal Workmen's Compensation Insurance) is compulsory by Federal Statute.

An undersold market: The majority of America's 500,000 insurable pleasure yachts do not carry any coverage. (During the 1938 North Atlantic hurricane, and again in 1944, millions of dollars of loss were suffered by boat owners; 2 out of every 3 boats were uninsured.) Yachting is an increasingly popular sport carried on in every State of the nation—on lakes, rivers, harbors and inland waterways. You can find names of local owners from boatyards, marine supply firms and yacht clubs. You do not have to be a yachtsman in order to sell yacht insurance—and we can help you sell it. We will quote you terms and rates, arranging for the inspection survey as necessary. We write the policies and maintain a nationwide surveying and adjusting organization to handle yacht losses. Our underwriters will recommend the yacht cover best suited to your clients' individual needs. Although the term "yacht insurance" is used above, the same applies to sail boats, and motor boats including those with outboard motors. This coverage is sometimes known as Hull Insurance.

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the opinion the task would be finished that evening.

However, when Wednesday meeting broke up, Conference Committee Chairman McCarran announced there had been no final agreement.

Asked as to the conferees' discussions, McCarran said:

"The principal point of discussion was clarification of the bill so as to make it positive the moratorium was intended complete, so that the states can adjust existing laws, or enact laws, which would take them out affirmatively from under the Sherman act.

"Time is an important factor," he emphasized.

"The Jan. 1, 1948, moratorium deadline stays in as to both anti-trust laws. If a state passes legislation permitting the insurance industry to do things contrary to the Sherman act, then, to that extent, and from there on, permanently, that act would not apply.

"If the states do not act to relieve the companies from the anti-trust laws, then, at the end of the moratorium period, those laws automatically become operative, unless Congress, meanwhile, acts.

"The Ferguson amendment is out. Provision as to the federal trade commission and Robinson-Patman acts stays in, with clarification.

"The McCormack amendment with reference to agreements to boycott, coerce and intimidate was adopted, practically. We wanted the word 'agreement' limited to boycotting, coercion or intimidation.

"We changed the word 'section' to 'act' in section 4(b). The House reference to the merchant marine act stays in.

"We dropped reference in section 3 to the federal trade commission and Robinson-Patman acts down into section 4(a), the moratorium provision.

"The consensus of the conferees was that the Robinson-Patman act does not apply to insurance, however."

Asked for an expression on the conference agreement, O'Mahoney dictated

the following to THE NATIONAL UNDERWRITER:

"I think we have a bill which, in effect, provides that there shall be state regulation of the insurance business, and that in the event there is no state regulation, that the power of the federal government to regulate is not denied.

"There is an explicit provision that the Sherman anti-trust law continues to apply, throughout the moratorium period and afterwards, to prohibit agreements and acts of boycott, intimidation or coercion.

GOOD ATMOSPHERE

"All in all, I think the bill creates an atmosphere in which the states, the industry and the federal government can work out a constructive adjustment to modern conditions, in the interests of the policyholders and of the companies."

Interjection of the question of exempting insurance from the federal trade commission and Robinson-Patman acts, was made at a late hour. Such exemption had been generally conceded until the issue was raised in the House, almost at the eleventh hour.

Just why this came to pass has not been explained. Some regarded it as a retaliatory move on the part of certain elements in the industry directed against others they did not think cooperated sufficiently. However, it was conceded to be a reasonable question on the House floor and the conference committee accepted the idea of including these two laws under the moratorium provision.

The conference committee report on the bill was called up in the House early Friday afternoon and agreed to without discussion. That put it up to the Senate for this week.

The conference report was signed by all conferees: Senators McCarran, O'Mahoney and Ferguson; Representatives Summers, Walter and Hancock, as "managers on the part" of the Senate and House, respectively.

Enters Automobile Field

Atlantic Mutual Indemnity has now completed its automobile insurance facilities and is ready to begin operations. It will write all automobile forms including a combination policy with Atlantic Mutual.

All policies will be written on national standard forms at standard rates and on a cash participating basis. Operations at first will be conducted in the eastern seaboard area.

E. H. Charles Is Promoted

Indemnity of North America has appointed Edwin H. Charles as manager of the casualty and bonding department at Newark. After graduating from the University of Pennsylvania, Mr. Charles became associated with Indemnity in 1930, as an underwriter at Newark. Later, he was made bonding manager.

Citizens Fund Correction

In publishing the figures of Citizens Fund Mutual Fire in the Feb. 22 issue, the "unearned premium" account was given as \$10,952. This figure is the fund held under reinsurance treaties rather than unearned premiums. The latter should be \$195,199.

Kirkpatrick Ohio F.U.A. Speaker

Fire, life and casualty men have been invited by the Ohio Fire Underwriters Association to attend its meeting next Tuesday when A. L. Kirkpatrick, insurance editor of the Chicago "Journal of Commerce," will speak.

New Iowa Turkey Insurer

DES MOINES—The Iowa department has licensed Maplecrest Mutual of Wellman, Inc., to sell turkey insurance. The company was formed by the Maple-

crest farms, one of the largest turkey growers in the state.

Patterson Opens Salina Office

W. H. Bibler, for 17 years staff adjuster with the Wichita office of Western Adjustment, has retired due to failing health. Before joining the Western Mr. Bibler did independent hail adjusting for Security group and for some years was a local agent in western Kansas.

Another gold star has been added to the service flag of North America, making a total of eight. The latest casualty is **Capt. William P. Reckeweg**, who was serving in Luxembourg. He was killed in action Feb. 1. Capt. Reckeweg was wounded in Normandy and returned to active duty in September.

He went with North America in 1937 as a junior special agent at its head office.

Earthquake Experience in 1944 Is Shown

	Net Prens.	Losses Pd.
Aetna Fire	\$ 330,434	\$ 37,044
Agricultural, N. Y.	13,748	17
Alliance, Pa.	3,661	233
American	59,379	71
American Alliance	6,551	19
Amer. Av. Genl.	207	.....
Bankers & Shippers	6,640	.....
Birmingham Fire	3,643	107
Birmingham Fire, Pa.	97	.....
Buckeye Union	46	.....
Camden Fire	14,196	8
Capital Fire, Cal.	1,699	2
Central, Md.	1,830	116
Charter Oak	304	7
Christiania General	7,234	176
Columbia Fire	2,527	3
Connecticut Fire	9,603	117
County Fire	2,131	4
Detroit F. & M.	3,442	8
Dixie Fire	1,263	1
Dubuque F. & M.	2,581	.....
F. & G. Fire	5,991	201
Eagle Fire	1,494	.....
Eagle Star	3,658	.....
Empire State	3,437	4
Equitable F. & M.	1,920	23
First National	553	.....
General Security	16,836	189
General, Wash.	85,749	171
Great American	23,180	146
Home Hawaii	205	.....
Inter-Ocean Reins.	19,409	33
Jersey	4,315	.....
Lumbermen's, Pa.	3,758	4
Mass. F. & M.	2,130	4
National Reins.	12,520	33
National Reserve	1,106	.....
National Security	610	39
National Union Fire	9,700	.....
New York Under.	3,682	7
North America	32,542	2,075
Northeastern	20,967	30
Northwestern Natl.	4,303	.....
Northwest. F. & M.	737	6
Ohio .....	.....	8
Pacific Fire, N. Y.	7,806	.....
Philadelphia Natl.	1,565	2
Phoenix, Conn.	15,913	194
Piedmont Fire	1,941	.....
Potomac	2,283	200
Reins. Corp., N. Y.	31,337	85
Reliance Fire, O.	589	.....
Reliance	2,505	3
Republic	4,636	.....
Rochester American	3,442	7
Rocky Mt. Fire	1,490	.....
Security Fire, Ia.	561	.....
Security Natl. Tex.	848	.....
South Carolina	3,321	88
Standard, N. Y.	4,150	.....
State Farm Fire	124	.....
St. Louis F. & M.	25	99
St. Paul F. & M.	48,648	812
Travelers Fire	5,788	142
Twin City Fire	147	1
Twin City Fire	147	1
Universal	114	.....
Washington F. & M.	146	.....
World F. & M.	2,172	.....

Hail Premiums and Losses in 1944 Reported

	Net Prens.	Losses Pd.
Aetna Fire	\$1,920,011	\$1,329,801
Alliance, Pa.	247,301	175,239
American	618,858	422,107
American Alliance	265,148	159,336
Camden Fire	153,798	116,344
Capital Fire, Cal.	209	8
Central, Md.	123,650	87,619
Christiania General .....	.....	342
Columbia Fire	26,334	17,962
Connecticut Fire	77,959	58,973
County Fire	53,030	31,867
Detroit F. & M.	106,059	63,734
Dixie Fire	13,167	8,981
Eagle Star	17,591	4,000
Equitable F. & M.	15,591	11,749
General Security	21	768
Great American	2,068,152	1,242,818

Auto Finance Movie Is Shown in Indianapolis

"A Million Dollar Partner," produced by the Agents Finance Company, was shown in Indianapolis Monday to a large group of fire and casualty field men. Ross E. Coffin, representing the sponsor of the movie, spoke briefly, emphasizing the importance of being prepared to finance and write automobile insurance premiums as soon as the big postwar market gets going.

Report on Kansas SWIS Work

V. E. Herbert, secretary of Kansas SWIS, reported 402 inspections made in Kansas manufacturing plants since the program was launched last June, at a meeting of the evaluation and executive committees in Topeka. Recommendations made total 1,452, of which 692 had been complied with, or 47.7%. Sixty-six inspectors participated. Lt. Col. C. A. Picken, industrial protection officer, Chicago, outlined the new safety inspection program. The next committee meeting will be March 20 in Wichita. Inspectors were to be acquainted with revised procedures and the safety program at the Blue Goose meetings in Topeka Feb. 26th and in Wichita March 5.

New Chairman at Wichita

At a meeting of the Wichita fire prevention committee, J. H. Engstrom, Jr., retired as chairman after three years, in favor of J. H. Jones, Equitable. Wichita has won honors in the inter-chamber fire waste contest and the Fire Prevention Week contest.

	Net Prens.	Losses Pd.
Inter-Ocean Reins.	101,908	36,494
Mass. F. & M.	53,030	31,867
National Reinsur.	3,210	2,647
National Security	41,217	29,207
National Union Fire	169,500	139,546
North America	2,198,237	1,557,683
N. Y. Underwriters	27,481	21,889
Phoenix, Conn.	129,190	97,728
Piedmont Fire	92,770	77,357
Reins. Corp., N. Y.	8,233	6,788
Rochester American	106,059	63,734
Rocky Mt. Fire	8,011	14,253
Standard, N. Y.	334,730	244,832
State Farm Fire	822,080	776,047
St. Paul F. & M.	2,207,105	1,057,262
World F. & M.	400,283	295,730

Aircraft Experience for 1944 Is Reported

	Net Prens.	Losses Pd.
Aetna Fire	\$111,548	\$ 68,888
Agricultural, N. Y.	36,187	17,884
Alliance, Pa.	5,959	3,404
American	62,187	3,600
American Alliance	40,245	17,161
Amer. Av. & Genl.	1,016	.....
Buckeye Union Fire	4	.....
Bankers & Shippers	156	.....
Camden Fire	371	197
Capital Fire, Cal.	6,112	2,030
Central, Md.	496	283
Charter Oak	3,320	1,887
Christiania General	3,369	700
Columbia Fire	1,369	18
Connecticut Fire	38,588	24,288
County Fire	8,049	3,432
Detroit F. & M.	16,098	6,865
Dixie Fire	685	9
Eagle Star	168	.....
Empire State	9,046	4,471
Equitable F. & M.	7,717	4,857
F. & G. Fire	46,463	3,494
General Security	4,552	2,118
Great American	313,913	133,860
Inter-Ocean Reins.	71	.....
Jersey	101	.....
Lumbermen's, Pa.	25	44
Mass. F. & M.	8,049	3,432
National Reinsur.	783	850
National Security	1,986	1,135
Natl. Union Fire	71,292	38,620
North America	87,405	49,926
Northeastern	432	12
Northwestern F. & M.	1,357	867
Philadelphia Natl.	19	18
Phoenix, Conn.	63,946	40,250
Pacific Fire, N. Y.	182	.....
Piedmont Fire	240	.....
Reins. Corp., N. Y.	2,050	2,181
Reliance	17	29
Resolute Fire	11,963	2,242
Rochester American	16,098	6,865
Security Natl. Tex.	22	.....
Standard, N. Y.	206	.....
St. Paul F. & M.	108,579	71,211
Travelers Fire	63,081	35,855
Twin City Fire	271	174
World F. & M.	156	5

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North America Again Gives Notice to I.M.U.A.

For the fifth time North America has given notice of its intention to resign from I.M.U.A. The resignation would become effective 60 days from Feb. 15.

North American states it intends to issue inland marine policies on an annual basis at pro rata of the three-year term rate of 2½ annuals. The I.M.U.A. executive committee found this unacceptable and North America gave notice of its intention to resign. North America contends that investment yields are so low today, the term rule is no longer proper and if the rates are to be cut, they should be cut for all classes of assured.

Late Casualty News

Monarch General Agents Confer at Chicago

Monarch Life conducted a small sales meeting for its general agents at the Edgewater Beach hotel, Chicago, this week. A number of company officials attended, including President Clyde W. Young and Roswell C. Laub, vice-president and agency manager, who handled the arrangements and conducted the meeting. Field problems were discussed and how to secure and train agents, as well as production plans.

Others from the home office were: John Miller, vice-president and actuary; H. Maitland Graham, comptroller; Richard F. Blaul, assistant agency manager; George Smith, assistant secretary in charge of the claim department; George C. Coulson, agency department; Earle J. Cadwell, assistant secretary in charge of accident and health underwriting, and W. Phillip Underwood, assistant secretary in charge of life underwriting.

State Farm Mutual Auto Premiums Exceed \$30 Million

Net premiums written of State Farm Mutual Automobile increased 15.4% last year to a total of \$30,467,844. This undoubtedly means that State Farm again has the largest volume of automobile premiums of any company in the country. Assets are \$43,561,282, an increase of about \$6½ million; loss reserve is \$14,657,221, premium reserve \$7,337,861, surplus \$13,536,651, increase \$1,644,595.

State Farm Fire premiums increased 39.5% and amounted to \$2,342,653.

Liability Forum Conducted by Brokers at Chicago

The Insurance Brokers Association of Illinois held a forum Tuesday on liability coverages with Don K. Weiser, assistant manager of Aetna Casualty, and Clarence G. Wurth, superintendent of that company's compensation and liability department in Chicago, as discussion leaders.

Oscar E. Aleshire, retired class 1 agent and past president Chicago Board, was scheduled to give an inspirational address but was forced to cancel it due to an attack of neuritis.

Milwaukee County Board Reelects; Hears Bankers

MILWAUKEE—At the annual meeting of the Milwaukee County Board of Casualty & Surety Underwriters Robert C. Pittelkow was reelected president; Rudolph A. Laub, vice-president; Alvin A. Veitenhaus, secretary-treasurer; W. B. Calhoun, Herbert J. Newman and William Wolff, directors.

The program topic was "The Banker and the Insurance Agent." The banker

viewpoint was presented by J. E. Roche, executive vice-president Milwaukee County Bank and chairman of the Wisconsin Bankers Association personal loan committee; O. K. Johnson, vice-president Whitefish Bay State Bank; Raymond Wille, First Wisconsin National Bank, and C. Ray Cook, Marshall & Ilsley Bank.

After the meeting there was a get-together hour.

Newman Heads Pittsburgh Casualty Claims Group

PITTSBURGH—Daniel S. Newman, U. S. F. & G., was elected president of the Pittsburgh Casualty Claims Association at its annual meeting. He succeeds Adam Hahn, Jr., Fidelity & Casualty.

E. S. Koenig, Indemnity of North America, is vice-president; Eli Madjorvic, General Transportation Casualty & Surety, treasurer, and W. G. Richard, Fidelity & Casualty, secretary. New directors are Charles Gable, New Amsterdam and United States Casualty; J. R. Dearnment, Royal-Eagle Indemnity, and Andrew Thomson, Aetna Casualty.

A drive for new members and a revised directory will be discussed at a dinner meeting March 5.

Use of Lie Detector, Auto Crash, Hernia Detroit Topics

DETROIT—The principal use of the Keeler polygraph or lie-detector—in insurance so far has been the personal bond field, Alex Gregory, lie-detector expert, told the Detroit Adjusters Association. It can be used both for placing the blame for an embezzlement among an office force and for preselection of risks for bonds, he commented.

He said Lloyds will grant a blanket reduction in premium of 10% on personal bonds if the entire group of employees to be bonded will submit to lie-detector tests before the risk goes on the books.

LeRoy Vandever of Vandever & Haggarty, attorneys for Travelers and other companies, outlined his method of winning an automobile rear-end collision case where his client did the crashing. He based his case on the "assured clear distance" provision of the law and proved that the driver of the other car had not signalled her intention to stop. The other driver testified that she had signalled with her right arm, which the jury apparently concluded was very unlikely.

Ray Hart, Michigan Mutual Liability, traced the history of hernia as a

compensable disorder under Michigan's compensation law.

N. Y. State Fund New Officers

NEW YORK—Appointments of Edward J. Powers as executive director, Bernard Katzen as general attorney and Dr. C. F. Nicol as medical director of the New York State Insurance Fund has been announced.

Mr. Powers is a prominent Mount Vernon local agent and has been active in the business 39 years.

Mr. Katzen has been senior trial assistant in the district attorney's office.

Youngstown A. & H. Men Elect

The Mahoning Valley Accident & Health Association, Youngstown, O., has elected Parker B. Arnett, Inter-Ocean Casualty, president; J. E. Harri-man, Illinois Bankers Life, vice-president, and Carl A. Mitchell, Travelers, secretary-treasurer. The executive board in addition to the officers includes Paul Kennedy, John McCleery and T. A. Woodman.

John H. Royster has joined the law firm of Clarence W. Heyl, at Peoria, Ill. Mr. Royster recently has been a special agent of the FBI and is a member of the Illinois and federal bar.

THE REINSURANCE CORPORATION OF NEW YORK

FINANCIAL STATEMENT, DECEMBER 31, 1944

ASSETS

Cash on Hand and in Banks.....	\$1,587,887.13
U. S. Government Bonds.....	3,476,939.04
Stocks.....	4,110,750.00
Premium Balances Receivable.....	\$522,772.75
Less: Ceded Reinsurance	
Balances Payable.....	698,436.83
Other Admitted Assets.....	20,505.49
Total Admitted Assets.....	<u>\$9,020,417.58</u>

LIABILITIES

Reserve for Unearned Premiums.....	\$2,120,803.14
Reserve for Losses and Adjustment Expenses.....	1,528,237.75
Reserve for all Other Liabilities.....	173,471.09
CAPITAL.....	\$1,530,000.00
SURPLUS.....	3,667,905.60
Total Capital and Surplus.....	5,197,905.60
Total.....	<u>\$9,020,417.58</u>

Bonds are valued on an amortized basis and stocks at prices prescribed by the National Association of Insurance Commissioners. Bonds carried at \$202,402.47 in the above statement are deposited as required by law.

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EDITORIAL COMMENT

FTC and the Moratorium

The unexpected last minute move in Congress to exempt insurance from the federal trade commission act only during the moratorium period, putting it on the same basis as the Sherman and Clayton acts, has, it seems to us, important implications. The Sherman and Clayton acts are negative types of statutes whereas the federal trade commission act is a positive regulatory measure. If the bill is signed, prior to 1948 there will have to be an amendment extending the moratorium as to the FTC or specifying in what measure the FTC either shall or shall not possess powers over insurance, or positive federal insurance regulation will be upon us. Applying the moratorium to the federal trade commission act rather than exempting insurance from it without strings brings the business a great deal closer to federal regulation than it has ever been brought before.

State officials and the insurance industry presently are engaged almost frantically in trying to doctor up state laws in respect of rate regulation so as to remove any possible conflict between the anti-trust laws and the necessary collaboration of insurance companies in fire and casualty rate and related practices. Now, additionally, it seems to us, the states particularly are faced with the necessity of extinguishing every tricky insurance merchandising tactic so that when Congress comes to deciding whether the FTC in whole or in part shall be given access to the insurance field, evidence cannot be produced to indicate that there are objectionable practices which the states have been unable to stamp out.

With one exception, as we have frequently held its head high in the matter of fundamental morality in its dealings with

the public. There can be no fear that in general the insurance business can be charged with deceptive selling methods but in the field of accident and health and hospitalization insurance, as everyone knows, there are dealings especially on the part of some of those in the direct mail field that are shady and are in sharp contrast to the usual insurance procedure. Unless there is a real housecleaning in this direction we apprehend that there will be a very strong case presented to Congress to permit the FTC to try its hand at accomplishing reforms and that would amount to a very substantial degree of federal regulation of a positive nature that could very well be expanded to much more extensive control. Congress has heard of this situation before because the Hobbs bill to deny the use of the mails to unlicensed companies has been perpetually before the national legislature in recent years and now Senator Langer of North Dakota has introduced a bill to prohibit the writing of insurance in any state by mail unless that company has a deposit in the state to protect policyholders there.

The insurance commissioners for years have been discussing the problem and several individual commissioners today are very much on the warpath but it appears to us they are now up against the gun and in order to preserve state regulation unimpaired they must give just as much attention to eradicating tricky selling methods in the accident and health field as they are giving to revising rate laws that will conform to federal anti-trust principles.

THE minority often wins over the majority in the end.

Post-War Office Face Lifting

Post-war planning for the insurance agency might well take the form of office face lifting. Agencies large and small can participate. Some very profitable agencies of old vintage have obviously retained the office furniture and perhaps systems long beyond the period of reasonable use. An agency need not be large to have an attractive appeal to visitors. Some agents in the smaller towns were able to move to bank buildings vacated during the depression. Those offices are comparable to the business importance and the civic activity of their owners in the community. Others may make almost as much money but cling to old type high

bookkeeper's desks and to long legged stools.

One of the most attractive insurance offices in Cincinnati is a one-man agency. The entire office is in three small rooms. A customer entering the outer office sees modernistic furniture, soft cushions, mirrors, attractive prints. The soft green walls are pleasing. Immediately behind the waiting room the sole employe, bookkeeper and secretary, presides. The same attractive color scheme prevails. File cabinets and office records are in an alcove separated from the office with draperies that tone in with the decorative color scheme. This plan of maintaining record cabinets pre-

vents the office from having a cluttered appearance. In the next office the agent's desk faces the entrance and there is a chair for the visitor at the agent's desk. Daylight comes through the window at an angle. The walls are in the same general color scheme. Hogarth prints are on the wall and real Toby jugs in corner shelves add a touch, without in the least depriving the office of its business like air. This is the office of the W. A. Rudd agency in the Union Central building.

Neare, Gibbs Agency, one of the old-

est in the city, specializing in marine coverage for the river traffic, has an office in the Carew Tower that appeals to the business instinct and the artistic. Modernistic furniture of bleached woods and photomurals on the walls, gives the office distinction. The murals of inland water craft and scenes typify the type of coverage that has made this office famous for generations. Neare, Gibbs office demonstrates how an insurance agency, though old in years may be ever youthful in aspect and business usefulness.

PERSONAL SIDE OF THE BUSINESS

Godfrey C. Huth, Illinois state agent of Royal Exchange, is confined to Harvard Community Hospital at Harvard, Ill. He was taken ill while on a business visit to Harvard.

H. G. Kates, vice-president of Associated Fire & Marine, who is now in charge of fire and inland marine operations for that company and American Automobile with headquarters in St. Louis, has just concluded his first visit to the head office of Associated in San Francisco.

W. F. Sweazea, manager of the Chicago department of North British, fell last week as he was leaving home for the office and broke his arm. He will be confined to his home for some time.

Thomas M. Geoghegan, Cincinnati, vice-president Perkins & Geoghegan, has been notified that his son, **Pvt. William Geoghegan**, was recently wounded in France.

V. L. Zimmerman, Elgin, northern Illinois state agent of Crum & Forster, who has been laid up the past five months by illness, is just getting back on the job.

Sackett Agency. He was active in civic and religious affairs.

J. Jordan Leake, 75, for many years counsel and a director of Virginia Fire & Marine, died at his home in Richmond following a protracted illness. He retired from the board and relinquished his post as counsel when the Royal-Liverpool group acquired the company.

John Gemmill, 75, retired local agent of Racine, Wis., died at his home after a long illness. He acquired the John Sieb agency in 1900 and operated it until eight years ago when he disposed of it to the Fagan-Newell-McQueen Co., recently changed to McQueen, Inc.

Mrs. Grace Redfield, wife of George E. Redfield, western general agent of Farmers of York at Chicago for about 40 years until he retired in 1940, died at the family's winter home in Fairhope, Ala.

Frank R. Piper, 79, retired Canton, O., agent, who spent 20 years in the insurance business until last October, died there.

Problems of Underwriting Aviation Hull Cover Are Discussed by L. F. Hawley

Aviation insurance is not complicated if the subject is approached by considering the airplane as an "automobile with wings," L. F. Hawley, vice-president of Newhouse & Sayre, Chicago, said in his discussion of aircraft hull insurance before approximately 140 members attending the lecture series on aviation coverage being given in Chicago. Newhouse & Sayre represents the Employers group for aviation coverage.

Mr. Hawley emphasized the importance of the application. Although the answers are not warranties, they must be accurate because the applicant agrees that they shall be the basis of the policy when issued. The purpose for which the aircraft is to be used is important not only for underwriting information but to determine the rates to be charged, he said. Another important question is the pilots who will operate the aircraft, which is of vital underwriting importance.

Due to the cessation of all civilian aircraft manufacturing for the duration, it has become increasingly difficult to repair or replace certain models of aircraft, Mr. Hawley added. In event of partial loss, it is often necessary to replace the damaged parts by hand made parts. This

DEATHS

Thomas C. Moore, who retired about a year ago as vice-president and manager of Potomac, died at his home near St. Davids, Pa., at the age of 75.

Mr. Moore was born at Laporte, Ind., and his first insurance experience was with the Duluth Inspection Bureau. Then he became connected with the Stryker, Manley & Buck agency at Duluth and left there to join Royal at Chicago. His place in the Duluth agency was taken by the late D. R. McLennan. In 1896, Mr. Moore went with Aachen & Munich and in 1907 joined German American as superintendent of agents for eastern Canada with headquarters at Toronto.

In 1913, he was elected vice-president of Potomac. In 1915 he was appointed assistant U. S. manager of General Accident but he retired from that position in 1925 to take active charge of the development of a country-wide agency organization for Potomac.

Augustine Sackett, 78, well-known local agent of Canandaigua, N. Y., died there. He purchased the agency of Cyrus D. Henry in 1912 and in 1915 bought John Raines & Son agency. In 1922 his agency was incorporated as the

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has materially increased the loss ratio with respect to partial losses, and to offset this underwriters frequently require a component parts endorsement on older models. This limits the underwriter's liability in case of partial loss to a fixed percentage of the total amount of insurance or a specifically agreed amount for each component part. Those who sell aviation insurance do not like the endorsement, but it seems to be the only alternative to a material increase in rates for older aircraft, he said.

The basis of rating now in use is rather cumbersome since it requires the agent to ascertain the manufacturer's list price of the aircraft before giving a premium quotation, he added. As soon as production of civilian aircraft is resumed after the war Mr. Hawley looks for a much improved rating basis. Possibly underwriters will come out with a specific rate applicable to certain specific aircraft, as is now done with certain makes of automobiles.

E. L. Stephenson, Associated Aviation Underwriters, will discuss airport and hangar keeper's liability March 5.

Farm Companies New Turkey Plan

(CONTINUED FROM PAGE 3)

of the year reflects the companies' experience on turkeys. There is a considerable catastrophe hazard from blizzards in November and December. With the extremely large demand of the armed forces for turkeys, there seems to be good reason to assume that the first flocks will be ready for market and off the hands of growers by Oct. 15.

Under the new rates and rules farm writing companies are expected to re-enter the turkey field so that the industry will have reasonable facilities on which it can count. The turkey industry itself has had serious problems with rising "normal" shrinkage from causes other than hazards insured, such as drowning, disease, etc. Much has been done in connection with improved house-keeping, the construction of suitable shelters and the building of snow fences.

There were other farm rate and rule changes announced at the same time as the change in turkey coverage. Minnesota now has the range cattle and sheep form, which previously was in effect only in Kansas, and which was introduced there only last year. The form is substantially the same as that in use in Kansas except that the rate for sheep is \$3.57, compared with \$2.86 in Kansas. Experience of the companies has shown that it is extremely difficult to get sheep under cover in a storm.

Another change moved Mille Lacs county from the northern to the southern section. The state is divided into two sections, north and south, for rating purposes. The southern section is the lower rated area.

Blanket insurance on farm property is not permissible now in Minnesota, and in no case shall coverage under two

or more items of uniform farm forms numbers 64, 65, and 66 be written blanket.

Rates on potato and onion warehouses were reduced.

Tax Equalization Approved in Ark.

LITTLE ROCK—Both houses of the Arkansas legislature have passed Commissioner McKenzie's bill to equalize premium taxes as between foreign and domestic companies. Governor Laney has the bill for signature.

The bill amends existing laws so that the 2% tax on the gross premiums of fire, surety, marine, and casualty companies and the 2½% tax on the premiums of life, accident and health apply to domestic companies, which heretofore have been exempt.

The life of the measure is limited to two years, after which the legislature will be obliged to relevy the tax on domestic carriers. This time limitation was placed into the bill at the request of some of the domestic life companies on the ground that changes may take place in the general situation within the next two years, either through congressional action or otherwise. The bill applies on 1945 business, and first payments thereunder will be made by the domestic companies on March 1, 1946.

The bill credits companies on their premium taxes with ad valorem or other taxes paid the state or political subdivisions on office furniture, fixtures and equipment and on real estate and improvements used by companies as their principal place of business in the state.

A companion measure to relieve company officers and directors of liability for taxes under present tax laws should the latter subsequently be held to be invalid was passed by both houses simultaneously with the commissioner's premium tax equalization bill.

Extend WDC Cover One Year Beyond Feb. 28

WASHINGTON—War Damage Corporation will extend for one year war damage insurance in force Feb. 28, except as to coverage on money, securities, registered mail, express, transit, and builder's risk on hulls. New and additional insurance written effective on or after March 1, 1945, shall be on the basis of old premium rates and conditions, it was announced.

Casualty Session at Topeka

Topeka Insurers held a casualty meeting in cooperation with the Kansas City Casualty & Surety Association. Discussions were led by Glen Packwood, Massachusetts Bonding; Frederick Brinkman, National Surety; R. R. Thomas, Hartford Accident; Maurice Ramsey, American Bonding, and Robert Evans, American Surety.

Mutual Fire Companies' 1944 Figures

	Adm. Assets	Unearned Preme.	Net Surplus	Net Preme.	Net Losses Paid
Addison Farmers' Mutual, Ill.	398,321	192,372	192,303	97,201	66,247
Abington Mutual Fire, Mass.	762,203	347,239	369,137	307,127	140,487
Automobile Mutual, R. I.	5,441,335	305,472	4,099,548	589,439	91,120
American Mutual Reinsurance, Pa.	1,130,477	1,986	1,000,000	25,671	21,895
Donagel & Conoy Mutual Fire, Pa.	570,440	253,753	292,237	252,590	72,446
Dorchester Mutual Fire, Pa.	857,962	145,712	405,199	322,860	178,127
Druggist's Mutual, Ia.	412,907	128,451	243,529	191,317	54,420
Farmers Alliance, Kan.	2,209,024	1,192,957	772,389	1,018,920	446,367
Hardware Dealers Mutual Fire, Pa.	10,616,360	5,502,631	3,736,854	5,994,933	2,060,519
Mutual Auto Fire, Pa.	723,617	158,849	483,192	306,333	110,072
Norfolk & Dedham Mutual Fire, Pa.	2,335,448	772,702	1,461,245	655,078	250,927
Northwestern Mutual Fire, Pa.	13,765,832	8,460,950	3,661,810	8,984,925	3,266,765
Pawtucket Mutual Fire, Pa.	2,894,972	1,329,928	1,575,816	1,246,949	561,228
Pennsylvania Millers Mut. Fire, Pa.	4,382,871	1,021,937	2,770,141	1,568,327	500,284
Preferred Mutual Fire, N. Y.	1,745,925	558,176	1,092,686	548,923	224,197
Republic Mutual Fire, Kan.	993,951	292,885	676,576	232,498	84,324
Union Fire, Neb.	622,748	168,286	371,746	462,708	176,174
Utica Fire, N. Y.	615,258	266,069	300,106	248,439	92,511
Vermont Mutual Fire, Pa.	1,198,881	422,252	589,339	620,316	250,645
RECIPROCAL					
Eric Exchange, Pa.	798,592	248,024	291,458	612,782	242,025
General Indemnity Exchange, Mo.	409,788	35,793	197,490	76,751	16,641
LLOYDS					
Lloyds, N. Y.	1,348,022	56,826	803,866	86,963	38,875

Republic Insurance Company Presents its

42nd Annual Financial Statement December 31, 1944

ASSETS		
Cash in Banks and Offices	\$	838,853.60
U. S. Government Bonds*		2,794,719.84
Public Utility Bonds*		51,447.77
Industrial Bonds*		147,000.00
Mortgage Loans		543,937.85
Collateral Loans		48,523.95
Savings and Loan Investments		971,844.38
Public Utility Preferred Stocks†		671,926.00
Industrial Preferred Stocks†		23,775.00
Bank Stocks†		2,886,033.00
Insurance Stocks†		240,676.00
Railroad Common Stocks†		26,100.00
Public Utility Common Stocks†		189,206.00
Industrial Common Stocks†		360,791.00
Agency Balances not Over 90 Days		432,233.58
Premium Notes		236,111.19
Home Office Building		188,774.84
Eastern Department Building		105,296.37
Pacific Coast Department Building		113,759.64
Due from Reinsurers		41,186.29
Interest Accrued		10,966.45
Other Assets		653.43
		\$10,923,816.18
LIABILITIES		
Unearned Premium Reserve	\$	4,767,850.17
Reserve for Unpaid Losses and Adjustment Expense		386,089.00
Reserve for Taxes		175,000.00
Other Liabilities		18,548.00
Contingency Reserve		784,808.49
Capital	\$2,000,000.00	
Surplus	2,791,520.52	
Surplus to Policyholders		4,791,520.52
		\$10,923,816.18

*Amortized.
†Value as established by Insurance Commissioners Committee on valuation of securities. Market Value of securities owned exceeds values shown above by \$102,196.26.

Writing...

**FIRE • TORNADO • WINDSTORM
HAIL • EXPLOSION • RENTS
EARTHQUAKE • RIOT AND CIVIL
COMMOTION • EXTENDED COVERAGE
INLAND MARINE**

Republic Insurance Co.

HOME OFFICE • 3415 CEDAR SPRINGS AVENUE
DALLAS, TEXAS

Eastern Department:
110 Fulton Street
NEW YORK 7, N. Y.

Pacific Coast Department
675 South Park View
LOS ANGELES 5, CALIF.



When VICTORY E DAY Comes

With the prospects of jubilant crowds milling through the streets, hilarious and exhilarated by the downfall of Hitler, the problem of protecting plate glass store fronts has been raised.

To board up all show windows will be practically impossible, as even if there is sufficient advance notice, and there probably won't be, it would be a tremendous job.

Although there may be a few unruly celebrants, we believe that the public in general will be conscious of their behavior in honor of those on the fighting fronts.

The most practical suggestion we can make in answer to this Victory E Day problem is to advise assureds to remove valuable merchandise on display so that vandals will not be tempted, keep Show Window lights turned on and —

DISPLAY THE AMERICAN FLAG

inside of your front windows. And meanwhile, let's hope and pray that VICTORY will soon be ours and that we may soon have a world free from tyrants and oppression.

Benjamin Beris, President

RECOGNITION MERITED BY OUR SERVICE

American Glass Company
1030-42 NORTH BRANCH STREET · CHICAGO

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Dineen, Companies Clash on Uniform Accounting Bill

**Compromises Modify Some
of Other Controversial
Measures at N. Y. Hearing**

By ROBERT B. MITCHELL

ALBANY—Compromises took care of some of the controversial legislation proposed in the long list of bills sponsored by the New York department but on the most important one, which would set up uniform accounting requirements, served only to make the head-on collision between the department's views and companies' more resounding.

The whole three-hour hearing was very friendly and informal with everybody giving everybody else full credit for good intentions and a fine spirit of cooperation. But it was clear after all hands had had their say that the department and the companies were still very definitely at odds over the bill.

Dineen Finds Statistics Faulty

The uniform accounting bill is being urged by Superintendent Dineen as a vital link in the effectiveness of New York's supervision of insurance rates. He has repeatedly found fault with statistics and data on the ground that the figures on which the department bases its judgment are unreliable because companies vary in their accounting methods. While sympathetic with voluntary efforts to bring about uniformity, his contention is that the companies have been trying to do this for 22 years without results and that it is time to have a law under which they would have to follow a uniform prescribed method.

Leading off for the opposition, Richard Wagner, legislative counsel Association of Casualty & Surety Executives, contended that the superintendent already has the power he needs to get the statistics he wants in the form he wants them, that the only thing that the bill would give would be uniformity in the actual keeping of original books of record. He agreed on the need for information and that it is necessary, for example, that all insurers put the same factors into acquisition cost but, he asked, does this have to be accomplished by making everybody keep books uniformly? He emphasized that it is the result that counts and said the desired result could be obtained without going that far.

Would Hit Domestic Companies

Mr. Wagner said he understood Mr. Dineen wants to call in outside accountants and make a survey of the whole insurance accounting and statistical system, that this would be paid for exclusively by the domestic companies, as these are the ones assessed for the administration of the insurance law. Hence, domestic companies would have to pay a large sum for setting up a system which would have to be applied countrywide in order to work.

As a means of obtaining the result desired by Mr. Dineen without forcing each insurer to switch to some prescribed standard method of keeping its books, Mr. Wagner suggested substituting the following wording: "The superintendent shall have the power in his discretion to prescribe uniform classification of accounts, statistical data, and

(CONTINUED ON PAGE 20)

New Senate Bill Is Aimed at Mail Order Operators

WASHINGTON—Attempt to deny use of the mails to insurance companies under certain conditions may be made in the Senate, as well as in the House, under a new bill introduced by Senator Langer, North Dakota. Rep. Hobbs, Alabama, has proposed to deny companies use of the mails if they do not comply with state laws.

The Langer bill (S.606), the Senator says, would prevent a company "from writing insurance in any state by mail unless it first had a deposit there to protect the policyholders in that particular state."

"Some insurance companies, particularly in Chicago," Langer told the Senate, "have been advertising in the newspapers that for a penny a day, or two cents a day, or three cents a day, they would give a certain amount of protection. Then when people have taken out this insurance, they suddenly find they are unable to get paid for disability they incur."

"I have taken this matter up previously with the Department of Justice, and there is no law covering the situation at the present time."

"Fly-by-night companies have been making lots of money by putting 'ads' in papers and magazines," he said. "I have gotten letters from a number of people who have been unable to collect claims from them. I had a long talk with the Attorney General. He took the view that these companies are not using the mails to defraud."

"I also took the matter up in the Senate judiciary committee, where there was considerable discussion, but we got nowhere."

"People who take out insurance are entitled to protection. My bill would make it a crime to solicit insurance by mail between the states, in any state where the company concerned does not have \$5,000 on deposit in that state. Also, they would be required to show in their advertisements that they do not solicit insurance in any state but where they have such deposits."

"I am trying to help the legitimate companies. It is only the twilight percentage of companies that I am trying to get."

Court Fight on Insurance Setup of Ia. Farmers Union

DES MOINES—The Iowa Farmers Union farm organization is involved in a dispute between its president and secretary with Farmers Union Life and Farmers Union Service Co., mixed up in the controversy.

Edward Roelofs, secretary of the farm organization, is seeking court action to maintain his office and alleges the controversy arises over whether the farm organization shall support the life company or the automobile company. He stated that Farmers Union Life is no longer affiliated with the union but is now operated as a stock company while Farmers Union Service Co., is a co-operative affiliated with the national union.

Roelofs obtained a writ to enjoin O. L. Weber, union president, from interfering with Roelofs' performance as secretary of the organization. He claimed that he was wrongfully and illegally dismissed by Weber. After securing the injunction he later returned to court and filed contempt charges against Weber for refusing to allow him into his own office.

Roelofs claimed that Weber is backed by two union directors and Farmers Union Life while he has the support of board members in favor of the service company.

Liable to Remote User in Illinois

The Illinois appellate court has given a decision that establishes that in Illinois a breach of implied warranty runs to a remote user in a food products case. This opinion follows the dicta in the Bowman Dairy Company case but instead of dicta there is now a definite appellate court opinion. The case was Blarjeske vs. Thompson's Restaurant. Indemnity of North America was the insurer and took the case up so as to get a definite ruling on this point of law.

Mrs. Blarjeske sent a friend to get a roast beef sandwich at Thompson's restaurant and the friend gave half of the sandwich to Amelia Black. Both the latter and Mrs. Blarjeske became ill and alleged that the sandwich was to blame. It was testified that Thompson's had sold about 1,500 of the same sandwiches that day without any others suffering ill effects. There was a joint verdict of \$600 for Amelia Black and Mrs. Blarjeske.

The Illinois rule is now definitely contrary to the Massachusetts and New York law which provides that there is no liability for a remote user.

This decision increases the necessity for products liability insurance in Illinois and it may result in an increase in rate.

Ross, Berchem & Schwantes were attorneys for Indemnity of North America in this case.

E. C. Stone Reelected as Mass. Federation Head

BOSTON—Edwin C. Stone, United States manager of the Employers Liability, was reelected president of the Insurance Federation of Massachusetts at a meeting in Boston. The members of the insurance committee of the Massachusetts legislature and Commissioner Harrington were among the guests. Mr. Stone was the principal speaker. He went into the S.E.U.A. case and Supreme Court decision.

Vice-presidents elected were: H. Ward Bates, Worcester; Henry A. Bidwell, Northampton; A. T. Buffinton, Fall River; Rockwood H. Bullock, Worcester; Frederic C. Church, Boston; John J. Cornish, Boston; Henry A. Field, Springfield; Harvey A. Gallup, North Adams; Jesse Harding, Boston; Gerald Henderson, Boston; Robert A. Hogsett, Boston; James H. Leighton, Lowell; Harry E. Moore, Boston; Lawrence W. Moore, Boston; Howard G. Noble, Westfield; James G. Page, Haverhill; Harvey R. Preston, Springfield; Harry A. Sawyer, Boston; Warren S. Shaw, Brockton; Robert A. Sullivan, Boston; George L. Taylor, Great Barrington; George A. Underwood, Gardner.

Mary A. Blackburn of Boston is secretary-treasurer.

Stock with Pioneer Mutual

Pioneer Mutual Casualty of Columbus, O., has appointed Rodney F. Stock as claim manager at the home office. He recently resigned as secretary and claim manager of the Emmco companies. His experience in the claim field covers 19 years. Prior to his employment with Emmco in 1940, he was associated with Great Lakes Casualty of Detroit which he helped organize in 1933 and became its claim manager and later assistant secretary.

Surplus Line Bill in Idaho

BOISE—A surplus line bill was passed by the Idaho legislature unanimously but was vetoed by the governor due to a question of constitutionality. A corrected bill has now been reintroduced.

Vote to Impeach Oscar Erickson, N. D. Commissioner

**Charged with Receiving
"Kickbacks" from State
Fund Reinsurance Deals**

Impeachment of Oscar E. Erickson, insurance commissioner of North Dakota, and member of the executive committee of the National Association of Insurance Commissioners, was voted by the house of the state legislature Tuesday. Under the constitution the trial is conducted by the senate. The impeachment vote followed presentation of a report of an interim investigating committee containing the principal charge that Erickson got from various insurance agencies kickbacks of commissions received by those agencies for reinsurance of the state fire and tornado fund and state bonding fund.

Among other things there was testimony that one alleged "kickback" transaction involved a scheme whereunder Erickson got stock in Farmers Union Life of Des Moines and was to become an officer of that company upon leaving office as insurance commissioner.

The report of the committee reveals that the most damaging testimony was that of Otto R. Vold, who was formerly manager of the state fire and bonding funds. Erickson, in his testimony, denied all the allegations.

Ernst & Ernst Employed

Chairman of the investigating committee was Rep. A. C. Johnson, while secretary was Sen. J. B. Bridston, who is a local agent at Grand Forks. The committee employed the accounting firm of Ernst & Ernst and the period covered was from Jan. 1, 1937, to Aug. 31, 1944.

Vold testified that in 1938 he and Erickson bought a cafe in Bismarck for \$2,300 putting title in Agnes Shirley. Together with improvements and betterments their total investment, he said, was \$6,395. Vold testified that the funds for buying the cafe were obtained from Henry T. Murphy or associates, representing commission kickbacks on reinsurance of the state fire fund.

Vold said that in 1940 Erickson asked him to get some money to pay an installment due on a contract for repurchase of Erickson's farm in Chippewa county, Wis., from Northwestern Mutual Life. Vold said he placed some reinsurance with Western Fire of Fort Scott, Kan., the commissions being collected by L. M. Peet of Farmers Union Life, who paid \$700 to a representative of Northwestern Mutual for credit on the Erickson contract.

Farm Deal at Tappen

Vold said in 1941 reinsurance was purchased from St. Paul F. & M. and Mercury through the Murphy agency, the premium being \$34,000 and the commission \$8,508. He said it was understood between Vold, Erickson and Murphy that there was to be a 25% kickback of the commissions to Erickson. Vold said Murphy paid Erickson \$1,000 which Erickson in turn paid to Vold for a fractional interest in the Bismarck cafe. Murphy died Aug. 24, 1941. In October, 1941, according to Vold, W. R. Koch and Vold canceled the original St. Paul F. & M. reinsurance policies and new ones were issued

(CONTINUED ON PAGE 22)

Warren Campaigns for Health Plan

Strong Opposition Develops as Assembly Committee Meets in L.A.

SAN FRANCISCO—Governor Warren of California has launched an aggressive campaign to pass his compulsory health insurance program. Carrying his fight to the people, he is using the radio to present his reasons and ideas, supporting his contentions with material designed to win militant supporters. His bill, now before the legislature, has stimulated the introduction of other health insurance measures, including a C.I.O. compulsory bill and the California Medical Association's measure to encourage membership in private voluntary plans.

In his first radio address, the governor stressed the importance of having such social programs controlled and operated by the states rather than the federal government. Saying that he believes such an effort is a state responsibility and discussing "strong pressures" in Washington for a national plan, he continued:

Local Responsibility

"But, public health has always been considered the responsibility of community and state and I want to see it remain so. It can only remain so if the state actually accepts the responsibility and solves the problem that confronts us. I am sure it can be done without even seriously disturbing the normal relationship of doctor and patient. I want to see a program adopted which preserves the existing freedom of choice between patient and doctor. I do not want to see doctors in the employ of the state. I want to see them paid for their services from a fund that is ample, both to provide the necessary medical care for the patient and reasonable compensation for the doctor. I want to see people pay for what they get and I want to see the control of the program close to the people."

The insurance principle has been accepted "as sound for just about everything except health, which is the most important thing in life to which it could be applied," he declared. "There is some private health insurance, but it is not easy to acquire. It is not universal in its application. It is not all inclusive in its coverage, and cannot truthfully be said to be adequate for all the people so far as medical care, laboratory tests, and hospitalization are concerned. The number of people thus fully protected is amazingly small and does not include those who most need prepaid medical care. The issue has always been—shall it be compulsory as is workmen's compensation insurance and unemployment insurance, or shall it be entirely voluntary through some program that would be sufficiently attractive to the public to enlist most of the people in it."

In this regard the governor points to the California Physicians' Service organized by the California Medical Association six years ago to provide a voluntary service. The governor says that it has not been a success as only 100,000 people out of some 8,000,000 have joined it.

ATTACK BILLS AT HEARING

LOS ANGELES—Bitter attacks on Governor Warren's and other compulsory health insurance bills were presented at a three day hearing held here by the assembly's public health committee.

With the exception of C.I.O., A.F.L. and housing project representatives, all the testimony was in opposition to the bills. Representatives of the California Medical Association recommended a voluntary system, declaring that the payroll deduction plan, along with the per

March 7 Deadline for ATC Accident Cover Proposals

WASHINGTON—March 7 has been fixed as the deadline for submittal of proposals to furnish accident insurance for passengers on army transport command planes, according to H. E. Hilton, U. S. Chamber of Commerce insurance department.

Proposals should be submitted through the chamber, it was stated, after conferences participated in by William E. McKell, president of New York Casualty, chairman of the chamber's aviation insurance committee, Mr. Hilton, and representatives of ATC and War department.

Scaled proposals will be transmitted by the chamber to Col. Reese Hill chief of the contract insurance branch, office of fiscal director, headquarters forces, Pentagon building, here.

The army will make selection from among those submitting proposals and thereafter will confer with successful bidder or bidders to work out details necessary for world-wide offering of coverage, it is stated.

Mr. Hilton last week telegraphed all companies and groups that have signified interest in such accident coverage, that a meeting would be held Friday, March 2, at 2 p. m. in the conference room of the National Bureau of Casualty & Surety Underwriters, 60 John street, New York. Announced purpose was to discuss with army representatives the preparation of instructions for ATC officers. It was stated to be unnecessary for companies interested to be present at that meeting in order to submit proposals. On Monday the New York conference March 2 was cancelled.

Insurance men say it would be practically impossible for the companies to get together to handle ATC coverage jointly for various reasons, because it would be impossible for the army to handle application forms of 40 or 50 companies at its ATC fields, terminals and offices throughout the world outside the United States, it is expected the army will accept proposals from the company or group that makes the best offer.

On ATC operations within the United States, it is expected that passengers would have the choice of obtaining coverage in a number of companies.

capita payment of physicians, would result in a deficit of \$100,000,000 by the close of the first year of operation. They also objected to the per capita payment and held for a service rendered fee basis.

Representatives of the Blue Cross and the California Physicians Service said voluntary plan organizations could meet the needs.

Strenuous opposition to payroll deductions came from employer groups, their testimony being that any additional payroll deductions would be disastrous, and would not be acceptable.

Ohio A. & H. Association to Go on County Basis

The Cincinnati Accident & Health Underwriters Association heard Rev. H. C. Hahn, Dayton, O., give an inspirational talk on "Sizzle Selling." His success formula is: "Never give up when the going is rough. Put a little romance into your program of life. Expect to pay the price for everything you receive in life, watch the little opportunities, they are important."

C. A. Sholl, Globe Casualty, Columbus, president of the National association, outlined its program for this year. Other out-of-town guests were A. F. Taylor, Toledo, president Ohio association; C. F. Harroll, Dayton, southern Ohio manager Inter-Ocean Casualty; E. W. Welton, Columbus, chairman executive committee Ohio association; C. U. Pugh, Columbus and P. C. Row-

Temmink F. & D. Vice-president; Trippe on Board

William M. Temmink has been elected a vice-president of Fidelity & Deposit; Harry Y. Wright has been elected an assistant treasurer and Edward J. Gorman and William E. Shaw were named assistant secretaries.

Juan T. Trippe, president and general manager of Pan-American Airways System, has been elected a director.

The stockholders ratified adoption of a retirement annuity plan for officers and employees.

Mr. Temmink joined F. & D. in the contract bond department in 1914. In 1933 he was named assistant to Frank A. Bach, now president, who was then second vice-president. When Mr. Bach was elected president in 1941, Mr. Temmink continued to serve as his assistant and later was appointed a member of the executive underwriting committee. He is a graduate of the University of Maryland and a member of the Maryland bar.

Mr. Wright joined F. & D. in 1944, subsequently served as traveling auditor and in 1942 was named assistant to the treasurer.

Mr. Gorman joined F. & D. at New York in 1935 and was appointed to his present position as an assistant manager there in 1939. He is a graduate of Brown University and St. Lawrence University law school.

Mr. Shaw has been with F. & D. since 1928 and prior to his appointment in 1939 as an assistant manager at New York had served in various capacities with several of the other branches.

Awards in Circus Fire Cases Approach Million

HARTFORD—Awards made to estates of persons killed and injured in last July's circus fire climbed steadily towards an aggregate million dollar mark last week, while unexpectedly heavy sentences were meted out by Superior Judge Shea to six officials and employees of the circus on 10 counts of involuntary manslaughter.

The board of arbitration set up to hear death and injury claims continued daily hearings in the attempt to settle all payments at the earliest possible moment.

Obvious reaction in Hartford to the jail and prison terms given the several defendants was one ranging from surprise to astonishment at their severity, in view of the many mitigating circumstances.

land, Canton, vice-presidents Ohio association.

The state association executive committee met Tuesday afternoon. It was suggested that associations hereafter be known by county designation rather than city. The Youngstown association is now called the Mahoning Valley association. The Canton association will be named the Starke county association. So naming associations tends to encourage agents in smaller communities to join. The executive committee plans to hold quarterly meetings in different sections of the state, the next in Columbus.

Mr. Pugh reported on his organization work in establishing the Charleston, W. Va., association. J. E. Payton, Inter-Ocean Casualty, Louisville, president and prime organizer of the association in that city, attended the meeting.

Northampton Board Elects

NORTHAMPTON, MASS. — The Northampton Board of Underwriters has elected William E. Bailey, president; William A. Bernache, vice-president. Roscoe K. Noble, who was elected secretary-treasurer, has since died.

Reopen 11-Year Old Suit Settlement

Minnesota Supreme Court Upholds Action Against State Farm Mutual

ST. PAUL—The Minnesota supreme court has upheld the lower court in reopening a personal injury suit settled 11 years ago because the injury is more serious than it was thought at the time of settlement.

The case was originally settled for \$600 and now the plaintiff is suing for \$100,000 on the ground of a "mutual mistake."

On July 2, 1934, Clarence Elsen, then 9 years old, was hit by an automobile owned by State Farm Mutual. Both legs were injured above the knees and the boy was hospitalized for six months. At the end of that period his physician reported that he had "made a complete recovery; there apparently is not the slightest disability of the legs." The boy's father as guardian and attorneys for the company agreed on a \$600 settlement. The father had no attorney; all the papers were drawn by the insurance attorneys.

Three Operations

Subsequently the boy experienced great pain in his legs and submitted to three operations, the last one in 1942. The father wrote the insurance company asking that the case be reopened which the company declined. Thereupon the father petitioned the court to vacate the judgment of dismissal entered at the time of the settlement and this was granted on the basis of "mutual mistake." The company appealed from this order of vacation.

Later examination revealed the boy was afflicted with epiphyseal, a separation of the fibrous and cartilaginous tissues. The lower court said that if it had known this it would not have agreed to the \$600 settlement. The supreme court ruled that on the basis of the facts the lower court was correct in vacating the original order of dismissal.

Kelly Leaves Allstate to Join Morrison & Russell

Paul B. Kelly, vice-president and comptroller of Allstate, has resigned to go with Morrison & Russell, management engineers of Chicago, to do special work in streamlining insurance company office procedures.

Mr. Kelly before joining Allstate in 1938 was connected with a number of Chicago firms doing auditing and accounting for concerns.

Minn. Assigned Risk Report

MINNEAPOLIS—Since the Minnesota automobile assigned risk plan went into effect Dec. 23, 1942, 1,313 applications have been filed under the plan and 1,065 policies issued, Manager James F. Reynolds, reports. There were 85 applications rejected for cause and 100 were not taken by assured. About 90% of the cars written are passenger cars.

Five physically handicapped individuals applied for and were assigned. Net premiums collected were \$15,280.

Accept Company Inspections

SEATTLE—Insurance company inspections of boilers will be acceptable under the revised boiler inspection bill, which passed the Washington senate. Owners of insured boilers will be required to pay \$1.50 annual fee to secure a certificate from the state. Insurance company inspectors will be under the regulation of the state boiler inspector.



Housewives and children constitute one of the greatest fields for Accident Insurance. Being a housewife is a dangerous occupation. More accidents happen at home than anywhere else. Students, from kindergarten through college, daily run many risks of injury. *Both* need the protection of

A C C I D E N T I N S U R A N C E

Ætna producers are equipped to *provide* such protection not only for housewives and students but for thousands of other prospects too. No matter how varied the requirements, there are *Ætna* Accident Policies available to meet the needs of practically everyone.



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affiliated with

ÆTNA CASUALTY AND SURETY COMPANY
AUTOMOBILE INSURANCE COMPANY
STANDARD FIRE INSURANCE COMPANY
HARTFORD, CONNECTICUT

Few Bills So Far in Ill. Legislature

So far few insurance bills have been introduced in the Illinois legislature. Although some of those that have been introduced are provocative it is believed that they do not constitute much of a threat.

A bill is pending before the senate judiciary committee to outlaw the inclusion in any policy covering liability under the Illinois dramshop act of liability if the damage sustained was the result of sale or giving away of alcoholic liquors to minors.

Most of the policies that are issued to the owner of the building in which the tavern or liquor store is located do include liability for sale of liquor to minors because it is recognized that the building owner has no control but policies insuring the tavern keeper do exclude liability for sale of liquor to minors.

Senator Dowd of Chicago introduced a compulsory automobile liability insurance bill which is likewise referred to the committee on judiciary.

Senator Crisenberry is author of a measure to regulate the workmen's compensation rates and that is before the insurance committee.

The bill of Reps. Weber and Nelson providing that no bailee shall effect any insurance upon bailed property for or in behalf of the bailor and making it unlawful for any bailee to charge to the bailor the cost of any insurance is before the judiciary committee.

Rep. Allison introduced a bill to increase workmen's compensation and occupational disease benefits 25% and to provide for compensation for permanent injury to the back.

Employers Mutual Casualty Results

Employers Mutual Casualty of Des Moines, Dec. 31, had assets of \$7,825,959, an increase of more than \$1 million in 1944; premium income increased more than \$300,000 and surplus and contingency reserves rose to \$1,953,871, increase \$253,000, the annual statement shows. This was the best year in the history of Employers Mutual.

It has a very high liquidity of assets with \$4,276,391 in U. S. government bonds, or 54.6%; \$1,307,686 in other state and municipal bonds, 16.7%, and \$1,026,818 cash, or 13.1%.

No security ever owned by this company in the 34 years of its existence ever has been in default either as to interest or principal.

Its surplus over all liabilities is \$1,653,871 and reserve for contingencies \$300,000.

Reserves include: Claims, funds set aside fully to pay all incurred and expected losses, \$3,327,316; unearned premiums, \$1,930,381; taxes, state and federal, \$141,196, and all other reserves, including an amount sufficient to pay 1945 dividends on all participating policies, \$473,193.

Real estate makes up only 1.6% of assets, mortgages 3.2%, stocks 0.4%, premiums 10% and interest 0.4%.

This company is a multiple line casualty mutual operating strictly on the agency basis. It is now admitted in 21 states and Alaska and operates branch offices in Chicago, Denver, Minneapolis, Lansing, Mich., and Wichita. Recently it entered Virginia. J. W. Gunn is president and treasurer; John F. Hynes is secretary and vice-president, and M. J. Wilkinson is superintendent of agencies.

The assets rose \$1,018,371 in 1944; U. S. bond holdings increased \$1,068,640; other state and municipal bonds increased \$290,826. Claim reserves rose \$439,269; unearned premium reserve increased \$163,747; reserve for taxes dropped about \$9,000 and reserve for all other purposes rose about \$171,000.

Clash on Uniform Accounting and Marine Rating Bills

(CONTINUED FROM PAGE 17)

records to be observed by insurers and other organizations that are subject to the provisions of this article."

Evidently Mr. Dineen did not regard this as a satisfactory means of accomplishing his aims, for he made no reference to it later on when he rose to speak in defense of the bill.

CASUALTY PROGRESS

Cornelius Van der Feen of National Surety, representing the Association of Casualty & Surety Accountants and Statisticians, told of the progress that has been made toward uniform allocation of expenses in the casualty and surety field. This project grew out of the many problems of compensation insurance rating. He said that the plan has been acted upon by the insurance commissioners and referred to the blanks committee and that a description of the plan was sent to every casualty and surety company and every insurance department. The only objection to it was a minor one raised by a reciprocal in another state.

Mr. Van der Feen said there is no mandatory legislation in any state requiring companies to follow a specific pattern and in view of the imminent adoption of the model procedure in its final form at the June meeting of the commissioners it would seem that the New York department's bill could be based on this preliminary work. He agreed with Mr. Wagner that the law gives the superintendent all the power he needs except for the keeping of the basic records. Arguing against trying to freeze the keeping of records to a rigid mold, he pointed out that in 20 years he had never found two accounting systems exactly the same and that business machine people and others are constantly giving the companies new methods and always trying to bring about improvements. Regarding the notice of changes of method in the bill, Mr. Van der Feen said that all changes, whether the notice given was to be three, six or nine months, should be effective as of the beginning of a calendar year.

J. W. Henry, counsel of Continental Casualty, expressed the utmost sympathy with Mr. Dineen's aim but said that companies' expenses would be increased if all other states imposed their ideas of uniform accounting on companies not members of rating organizations.

J. R. Berry Speaks

J. Raymond Berry, general counsel National Board, agreed with Mr. Henry but went on to say it would not matter if a company were a member of a rating organization or not. There are 51 different jurisdictions and while it is not likely that each one would impose a different accounting system it is at least highly probable that some will do so and the question is how to avoid this.

Mr. Berry said to the committee members that "we don't want you or Mr. Dineen to think we are out of step with this program" but pointed out that under the bill no order could be effective within less than six months from promulgation and he quoted Mr. Dineen's report to the effect that the change could not be accomplished overnight but should be done gradually and on a sound footing. He said he inferred that the change would have to wait until the end of the war when the manpower and machines would be available and then it would be necessary to wait for the system to be evolved, since there is no system in existence which Mr. Dineen is prepared to offer. Hence the change would not be months away but years if it is to be even close to right. He questioned whether the insurance business should be exposed to the possibility of similar demands from all the other jurisdictions.

Mr. Berry cited the work of the uni-

form accounting committees of the National Association of Insurance Commissioners and of the National Board, also the work of the Insurance Accountants Association, which is a fire insurance organization.

Instead of New York going ahead and prescribing its own plan he urged that there be worked out a plan acceptable to all states. He conceded that this would be slow but said that the amount of money warrants going slowly and carefully. However, if this process proved too slow there would be the alternative advanced by Mr. Wagner for prescribing uniform classifications of accounts, statistical data and records. He suggested that the Insurance Accountants Association could work with J. F. Collins, chief of the New York department's rating bureau and report to the National Association of Insurance Commissioners a proposal for a law providing that the superintendent "may prescribe the form of such report together with statistical data."

If the material were not in the form desired by the department the superintendent could subdivide its questions until he got the information he was after. Mr. Berry said that if Mr. Dineen would get from the accountants association what information he wanted they would work it out with Mr. Collins. Since there is bound to be a delay of a year or two at least in setting up any uniform system contemplated under the department's bill, Mr. Berry suggested going ahead on the basis that has been started and first exhausting the remedies that are already available before passing a law.

ACCOUNTANT HEARD

Called on by Mr. Berry, A. E. Dahlberg of Sun, president of the Insurance Accountants Association, exhibited a copy of proposed changes in the statement and a complete report on how each item of expense would be charged. He said that to date Mr. Collins had been unable to confer with him but that he had agreed to do so in the near future.

Championing the bill, Mr. Dineen remarked that the insurance business says there is a need of uniform accounting and has been working on it for 22 years but still hasn't got the answer. He pointed out that the 522 companies licensed in New York have a premium income in New York of about \$340 million and while giving due credit to the efforts mentioned by Mr. Van der Feen and Mr. Berry he said the time was long overdue for having a uniform maintenance of accounts. In view of the 22 years that have elapsed he said that "the day of voluntary effort is over."

As for Mr. Berry's concern over a multiplicity of different types of "uniform" accounting systems being required by different states Mr. Dineen said that the same fear was raised by the bus lines years ago when the state public service commission got a law through requiring uniform accounting. He said his bill was copied verbatim from the public service act which has stood up for the last 36 years.

Basing his final appeal for the bill on the necessity of maintaining a high grade of state supervision, Mr. Dineen pointed out that the right to act in concert to fix rates is an exception to the law of the land and unless that right is intelligently exercised, "we will never be able to convince Congress we should continue to have jurisdiction over the insurance business." He said New York state should be able to say that "it has measured up to its responsibilities and that there is no reason for Congress to take away its regulatory powers because the state was not keen enough to see what it ought to do."

John C. Stott, Norwich, president of the New York State Association of Local Agents, said his association favored

the uniform accounting bill because it would make it possible for the insurance department to ascertain more easily the information it needs in approving rates. The Association of New York State Mutual Casualty Insurance Companies went on record as favoring the bill, while the Insurance Federation of New York opposed it.

As with the uniform accounting bill, the S.E.U.A. decision figured prominently in the discussion of the proposal to put inland marine business under the rating law. Where insurers act in concert to fix rates it is essential to have state approval to avoid the danger of anti-trust prosecution. Under the Parker vs. Brown doctrine of the Supreme Court the state may order or approve rate fixing which would be illegal for corporations to undertake on their own. However, the marine underwriters do not want to have the law apply to types of risks which are not now and never have been subject to rate-making agreements.

The bill as introduced provided that notwithstanding section 187 of the insurance law which exempts marine insurance from rate-filing requirements, on and after July 1, 1945, these exemptions "shall not apply to risks written under inland marine forms of policies. As to all such risks which by general custom are written according to manual rates or rating plans, class rates or rating plans shall be filed with the superintendent by all authorized insurers writing such risks in accordance with the provisions of section 184. As to all other risks rates shall be filed with the superintendent only when directed."

At the start of the discussion, Mr. Dineen offered an amendment to the proposal which would provide that vessels, craft and their cargoes and other similar risks commonly insured under marine policies would not be considered inland marine insurance. The amendment would also change the final sentence quoted above to "as to all other inland marine risks rates shall be filed with the superintendent only when directed." Mr. Dineen said that this language had the approval of the Inland Marine Underwriters Association.

These changes in the proposal, however, did not satisfy those who were on hand to speak for the ocean marine and transportation insurance business. While not objecting in the least to the department's proposal to apply the rating law to class rates under inland policies, they were very apprehensive about the possible effect on the time-honored freedom of marine and transportation insurers to compete in the world market.

F. B. Tuttle, vice-president of Atlantic Mutual, said that the language in the bill and in Mr. Dineen's proposed modification of it was not sufficiently clear to assure continued freedom for ocean and other transportation business. As to the provision that "as to all other inland marine risks rates shall be filed with the superintendent only when directed," Mr. Tuttle felt that the exception was so narrow that the wording would permit a superintendent at some future time to call on the companies for filings on transportation risks of a type not contemplated by Mr. Dineen in drafting the present bill. He asked that the language excluding ocean and transportation insurance be made affirmative and specific so as to remove any possible necessity for filing rates on these classes of risks. He emphasized that the freedom as respects ratemaking has made New York the great marine insurance center that it is and that restricting this freedom would drive much of this business abroad or to other states.

Frank A. Lee of Marsh & McLennan and F. Porter Gore of Francis C. Carr & Co. spoke for the brokers who handle ocean marine business. They emphasized the danger of this business being driven out of New York state.

Answering the objections, Mr. Dineen

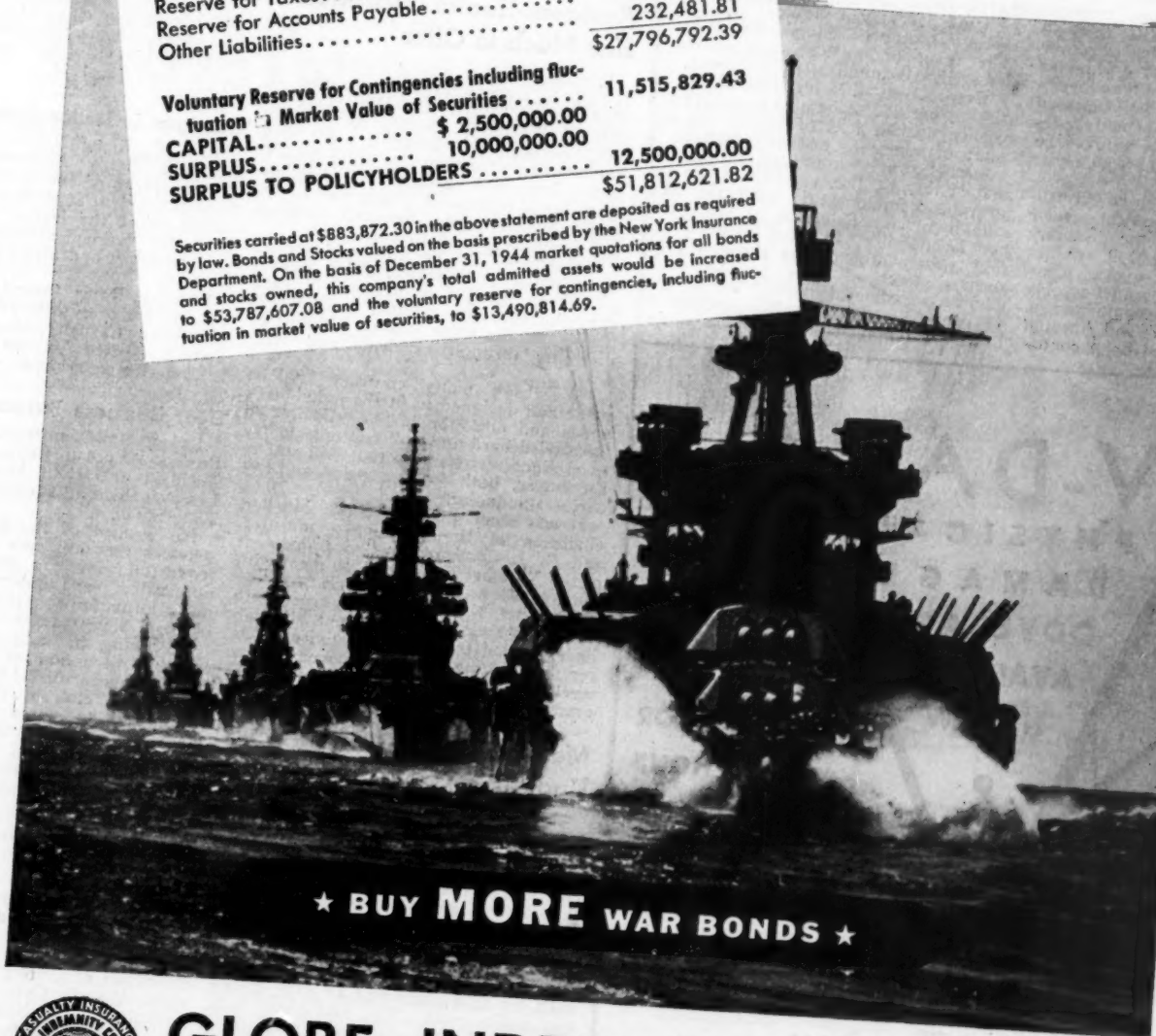
(CONTINUED ON PAGE 27)

Financial Statement—December 31, 1944

ASSETS	
Cash in Banks.....	\$ 2,664,354.92
United States Government Securities.....	29,898,714.76
Corporate and Other Bonds.....	3,058,914.98
Preferred Stocks.....	3,253,933.00
Common Stocks.....	8,287,374.00
Real Estate.....	440,000.00
Premiums in Course of Collection not more than 3 months due.....	3,196,692.41
Interest and Rents Due and Accrued.....	176,775.46
Other Admitted Assets.....	835,862.29
TOTAL ADMITTED ASSETS.....	\$51,812,621.82
LIABILITIES	
Reserve for Claims and Claim Expenses.....	\$17,297,961.65
Reserve for Unearned Premiums.....	8,305,103.87
Reserve for Commissions on Uncollected Premiums.....	571,245.06
Reserve for Taxes.....	930,000.00
Reserve for Accounts Payable.....	460,000.00
Other Liabilities.....	232,481.81
Voluntary Reserve for Contingencies including fluctuation in Market Value of Securities.....	11,515,829.43
CAPITAL.....	\$ 2,500,000.00
SURPLUS.....	10,000,000.00
SURPLUS TO POLICYHOLDERS.....	12,500,000.00
TOTAL.....	\$51,812,621.82

Securities carried at \$883,872.30 in the above statement are deposited as required by law. Bonds and Stocks valued on the basis prescribed by the New York Insurance Department. On the basis of December 31, 1944 market quotations for all bonds and stocks owned, this company's total admitted assets would be increased to \$53,787,607.08 and the voluntary reserve for contingencies, including fluctuation in market value of securities, to \$13,490,814.69.

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ACCIDENT AND HEALTH

State Health Cover Bill Backed by Wash. Governor

SEATTLE, WASH.—Weekly sickness and accident benefits ranging from \$10 to \$25 and medical care and hospitalization for all workers are proposed under two bills introduced in the Washington legislature. The weekly indemnity proposal is embodied in the broadened unemployment compensation act presented by Governor Wallgren. It is proposed to set up a new section of the law covering disability due to sickness and accident. The weekly payments would be paid for a maximum of 26 weeks.

Under the governor's bill, beginning July 1, 1945, there would be withheld from all wages up to \$3,000 annually 1½% which would be paid into the state disability fund. The coverage is non-occupational, in that on-the-job disabilities would be compensated by the workmen's compensation act, if the worker is in extra-hazardous employment. The bill provides also that no benefits will be paid if the employer pays all or part of the salary during the disablement period. If the employer's compensation or payment to the injured worker is less than the benefits prescribed under the act, the amount so paid would be deducted from payments by the state.

The second measure which would provide hospitalization and medical service is designed to implement the disability fund benefits, although this bill was not presented by executive request. Coverage would for a time parallel weekly benefits paid under the compensation proposal. Medical, dental and hospital services would be financed by a contri-

bution of 1½% of wages to be paid both by the employer and worker. The 1½% deduction from wages would be made up to \$3,000 a year.

Payments would begin, as under the unemployment compensation act, on July 1 and benefits would become payable a year later.

The bill establishes a state department of medical care and hospitalization to be administered by a seven-man commission to be named by the governor. It is also provided that benefits could be expanded to provide nursing care, additional dental services, drugs and appliances, as finances become available. It is further provided that a study be made looking toward extension of coverage to agricultural workers and others not presently to be covered.

Medical Care Plans, Blue Cross Status Discussed

At the February meeting of the Utah Accident & Health Club in Salt Lake City, Wesley E. King of Salt Lake City, formerly active in the insurance field there and San Francisco, declared that "socialized medicine" would be an accomplished fact in the next few years, unless insurance companies provide some form of medical care coverage along with hospitalization insurance.

"Every person, every family," he said, "is entitled to be able to secure insurance against loss of income on account of illnesses, just as much as a property owner is entitled to provide against loss by fire. A bureau can set up rates commensurate with the hazards involved. Selection of risks will not be possible, but the carriers can fully protect themselves through reinsurance treaties. The bureau could adopt a schedule of medical fees as well as insurance charges. The income of insurance companies would be multi-

plied, the detail work of agents minimized and the growing trend toward socialism given a body blow."

He also advocated providing a sickness prevention program, in conjunction with boards of health, for the purpose of reducing physical ailments, "just as the fire prevention program, cooperating with fire fighting units, has reduced fires by eliminating fire hazards." He urged that medical men should be made to see if the plan for providing sickness benefits will prove advantageous to the entire profession.

C. N. Ottosen, assistant attorney general of Utah and former insurance commissioner, took up the legal status of the Blue Cross plans, stating that the department cannot regulate them nor any other hospital association unless they are classed as insurance companies writing insurance contracts. If their contracts are service contracts, the department has no regulatory control over them. If these agreements are (1) made by the hospitals, so that the hospital is liable thereunder, and (2) if the benefits offered relate only to services which the hospital itself can supply in the ordinary course of its business, without having to procure such services elsewhere, then they are service agreements and not subject to the control of the insurance department.

Accident-Health Insurance Has Much to Offer

Speaking before the Accident & Health Underwriters Association of Newark on "What Do We Have to Offer?" Wilbur F. Smith, Aetna Casualty, declared that accident and health has more to offer than any other branch of the insurance business, including security at a reasonable price, backed by sound business men, financial stability and facilities second to none.

He stressed the definite need for its merchandise and service, citing figures as to the number of persons ill each day, the enormous annual medical expense and the wage loss on account of disability through accidents and sickness.

"We have many contracts, tailor-made and designed to fit the individual's needs and pocketbook," he said. "We have tried hard and will continue to try to produce merchandise that will satisfy the buyer, both from a price and security standpoint."

It was voted to invite E. H. Mueller, chairman of the planning committee, and R. J. Costigan, first vice-president of the National association, to meet with the Newark association March 27 to explain what the association expects to be able to do for the agent through its expanded program of activity. The regular meeting date was moved back a week to put the association's entire program for that meeting at their disposal.

Medical Care Given Under Big Group Plan

To an increasing extent medical care insurance is being provided under group contracts. California-Western States Life just recently put in a group plan for Pacific Gas & Electric Co., which includes that feature along with group hospital and surgical. The medical care benefit covers both non-disabling and disabling injuries and sickness at the rate of \$3 for home calls, \$2 for office or hospital calls up to a maximum of \$150 during any policy year. The first three calls are covered if the employee is disabled.

Foster Now A. & H. Manager of Amer. Cas. in Chicago

W. Douglas Foster has been appointed by A. A. Konitzer, resident vice-president of American Casualty in the Chicago branch office, as manager of the health and accident, group, franchise, family and individual hospitalization department, and has assumed his new post. He succeeds Larry Lawrence, who has been manager for the last two years.

Mr. Foster will observe his 25th anniversary in the insurance business on May 20.

He started in the insurance business at Toledo as a casualty special agent of Travelers, later was transferred in the same capacity to Toronto and then to Detroit, serving Travelers in all for 10 years.

Then he went with Sun Life of Canada at Detroit in the group life department and later was in the brokerage field for three years before joining Marsh & McLennan at Chicago in the group life, health and accident and hospitalization department. For the last eight years he has been connected with Continental Casualty, operating out of the home office and assigned to the Insurance Exchange branch in group work, the post which he resigned to join American Casualty.

Ind. Company Sues for Right to Write Accident Insurance

Rural Bankers Legion Life of South Bend, Ind., has filed suit for declaratory judgment to determine its rights to write accident insurance against Commissioner Pearson of Indiana of the Indiana department and Ralford M. Welch, individually and as the representative of all policyholders who may question the right of the company to write accident insurance.

The company claims the right under its articles of incorporation and in its petition also cites an amendment effected Aug. 13, 1931.

Costigan Is Dallas Speaker

R. J. Costigan, Missouri manager of Business Men's Assurance and first vice-president of the National Association of Accident & Health Underwriters, talked before the Dallas association on what the National association is trying to accomplish and also on general sales ideas.

Emerson Davis, Inter-Ocean Casualty, was elected president; Porter Bywaters, Employers Casualty, vice-president, and Ted T. Teel, American Hospital & Life, reelected secretary-treasurer.

Hear Business Bureau Man

Robert Bauer, manager of the Better Business Bureau there, addressed the Accident & Health Managers Club of Los Angeles on "Protecting Your War-Time Savings."

He warned of the new promotional schemes that are sure to come to the front following the war and said the bureau has plans under way for furnishing information that will save the public from being caught by fake schemes.

Following his address there was a lengthy discussion of the compulsory health insurance bills before the legislature. The club instructed its special committee to contact the California Medical Association and the California Hospital Association, in an effort to arrive at some cooperative plan to forestall the present proposals.

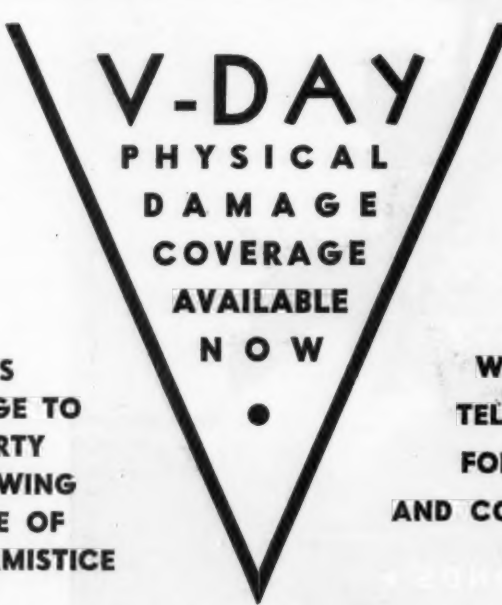
Reports on Northern Mutual

Northern Mutual Casualty of Chicago had assets at Dec. 31, 1943, of \$585,808 and surplus to policyholders of \$160,848, according to the report of an examination by Illinois, Michigan and Missouri. Northern Mutual was the result of a merger in 1942 of Travelers Mutual Casualty and Michigan Casualty. L. O. Napier is president and M. A. Napier, secretary. It issues various forms of limited A. & H. policies and hospital insurance.

Total premium income in 1943 was \$1,161,978, total claims paid \$213,641.

New San Antonio Officers

The San Antonio Association of Accident & Health Underwriters has elected these new officers: President, Tom McCreless, American Hospital & Life; vice-president, M. L. Monohan, Illinois Bankers Life; secretary, Paul



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Sheppard, C. A. Bernaud & Co.; treasurer, Ward McClure, American H. & L. The association went on record as favoring the introduction in the Texas legislature of a bill authorizing the purchase of group life insurance for state and municipal employees.

Form Louisville Association

Through the efforts of Ezra W. Welton, Business Men's Assurance, Columbus, O., the Louisville Association of Accident & Health Underwriters has been established with about 20 members. Charles A. Davis, general agent Massachusetts Protective, is temporary president and Marshall Roberts, general agent of Reliance Life, is temporary secretary-treasurer.

Deny Rehearing in B.A.R.E. Case

WASHINGTON—The Supreme Court Monday denied petition for rehearing in No. 753, Miner and Paul Willer Petersen vs. People of Illinois ex. rel. Benefit Association of Railway Employees. The court had previously refused writ of certiorari to review the Illinois supreme court's decision in this case.

With the Illinois decision unreversed, petitioners contended "those few individuals who control the operations of Illinois mutual insurance companies need but follow the pattern created by the individual respondents here to be able, unrestrained by the power of any court, to exploit their members and use their funds for their own ends."

Minn. Non-Profit Bill

ST. PAUL—Certain Minnesota co-operative organizations which have been opposing the medical service insurance plan backed by the Minnesota State Medical Association have presented a bill of their own to permit them to form non-profit medical care plans.

Pocketbook Workers Covered

The Pocketbook Workers Union of New York, in cooperation with the Industrial Council of the National Authority of the Ladies Handbag Industry and 269 independent employers representing 395 manufacturers, has approved hospitalization and surgical indemnity benefits for more than 9,000 pocketbook and leather goods novelty workers through Associated Hospital Service of New York. The entire cost will be paid by the manufacturers.

Organize in Fargo, N. D.

Steps have been taken to organize an accident and health underwriters association in Fargo, N. D. An organization meeting has been set for March 2. Sig Bjornson has taken the lead in the movement. O. D. Olson, North American Life & Casualty, is chairman of the committee on arrangements for the initial meeting.

New Natl. Protective Officers

National Protective of Kansas City has elected Karl Mikula a director, Mrs. M. M. Walker, assistant secretary, and George L. Ream, comptroller.

Designation of Employer as Beneficiary Is Challenged

An employer who took out an accident and health policy on the life of an employee and paid the premiums, the employer being named as beneficiary in connection with accidental death benefit may not be permitted to collect because of lack of insurable interest, the Kansas supreme court has held in *Geisler admx. vs. Mutual Benefit Health & Accident et al.* The court held that the *Geisler* petition is not demurrable and the case will now be tried on its merits.

The case, according to the supreme court, is to be determined by rules applicable to life insurance cases. The court recalled its holding in *Hoffman vs.*

Federal Reserve Life, 123 Kansas 554,255 Pac. 980 that in the absence of a statute or some by-law, rule or provision of the insurance company to the contrary, a person, acting in good faith, may take out insurance on his own life and name as beneficiary anyone whom he pleases.

The court said that the record does not disclose a situation "where we should infer the insured initiated the course of dealing leading to the issuance of the insurance policy nor that the insured took out insurance on his own life naming anyone whom he pleased as beneficiary." The court observed that although the assured signed an application naming his employer as beneficiary, the employer was the one that paid the premiums. It does not appear affirmatively that the insured took out a policy on his own life and named as beneficiary one of his own choosing.

August Geisler was the insured. Boyd Messer Transfer, his employer, took out an accident and health policy on the life of Geisler who was to receive any benefits for personal injuries not resulting in death but Boyd Messer Transfer was to be the beneficiary of the \$1,000 accidental death benefits.

Messer Transfer collected \$1,000 and the administratrix of Geisler's estate demanded that she get the money. It is alleged that Messer Transfer has been receiving the benefits as trustee for the benefit of the estate of the insured.

V. J. Skutt of Mutual Benefit Health & Accident was queried as to the significance of this decision. He replies that the case is not concluded, that an answer will now be filed and the case tried on its merits. The court's ruling merely holds that the plaintiff's petition is not demurrable.

The memorandum opinion of the lower court in the *Geisler* case stated, "We further volunteer the statement that we believe the employer had an insurable interest in the life of his employee to the extent of an actual loss by reason of his injury or death." Thus Mr. Skutt states, the court indicates that where an employer pays wages to disabled employees an assignment of an accident and health policy is valid.

Association in Charleston

The Charleston (W. Va.) Association of Accident & Health Underwriters, the first in that state, has been organized with these officers: President, F. H. Martin, Provident Life & Accident; vice-president, Rex Lockhart, Business Men's Assurance; secretary-treasurer, H. S. Ferrell, Loyal Protective Life.

Charles U. Pugh, field supervisor of Loyal Protective and president of the Columbus, O., association, spoke at the organization meeting on "This Business of Ours."

COMPENSATION

Nelson Heads Mo. Commission

JEFFERSON CITY, MO.—Governor Donnelly has reappointed Edgar C. Nelson to the Missouri workmen's compensation commission and designated him as chairman. He has been a member of the commission for 12 years.

Recommends Ark. Rate Cut

LITTLE ROCK—A recommendation that workmen's compensation rates in Arkansas be reduced came in a report of a special sub-committee of the senate workmen's compensation committee investigating compensation rates. Harry F. Richardson, secretary National Council on Compensation Insurance, recently appeared before the committee to explain the procedure for determining rates.

The investigating committee reported that as of Dec. 31, 1942, collectible premiums totaled \$3,923,555 while both losses and incurred losses amount to \$2,100,931, representing a "profit" to the insurance companies of \$1,823,324.

A reduction in rates may be expected, however, within the next four months, according to representations made at the



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Massachusetts Bonding and Insurance Company

FINANCIAL STATEMENT

DECEMBER 31, 1944

ASSETS

Cash in Banks and Offices	\$ 2,649,499.99
United States Government Bonds	13,071,119.70
State and Municipal Bonds	630,573.82
Railroad, Public Utility and Industrial Bonds	1,254,051.51
Preferred Stocks	3,271,110.00
Common Stocks	4,645,485.00
Real Estate	2,716,261.57
Premiums in Course of Collection (none over 90 days)	2,834,272.76
Accrued Interest	70,755.03
Deposit with Workmen's Comp. Reinsurance Bureau	336,847.46
Other Assets	277,378.34
Total Admitted Assets	\$31,757,355.18

LIABILITIES

Reserve for Claims	\$12,044,257.53
Reserve for Unearned Premiums	6,167,189.67
Reserve for Taxes, Commissions and Other Liabilities	1,677,793.51
Total Liabilities except Capital	\$19,889,240.71
CAPITAL	\$2,000,000.00
SURPLUS	9,868,114.47
SURPLUS TO POLICYHOLDERS	11,868,114.47
Total	\$31,757,355.18

Bonds in the amount of \$879,342.68 amortized value are deposited with various States as required by law. All securities have been valued in accordance with the requirements of the National Association of Insurance Commissioners. On the basis of actual December 31 Market Values, total Assets would have been \$32,197,460.15 and Surplus would have been \$10,308,219.44.

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committee hearing, the report stated. The committee also said that it favored "liberalizing" the law and that it would continue its studies until the 1947 session and make further suggestions at that time.

Hearing on N. J. "Comp" Bill

TRENTON, N. J.—Modifications and additions to two New Jersey senate bills liberalizing compensation benefits were sought at a public hearing. C.I.O. and A.F.L. leaders agreed to accept the two measures as a "good compromise" but the Manufacturers' Association of New Jersey strongly opposed a number of provisions.

The measures seek to revise upward by 25 to 30% the entire schedule of workmen's compensation benefits, including the raising of maximum weekly benefits from \$20 to \$25. They also would make the state supreme court the last tribunal of appeal.

The chief objection of the industrial groups was the clause providing that an employer who has failed to install a safety device upon recommendation of the state labor department shall pay double compensation to any employee injured because of such failure. Labor representatives suggested a greater inclusion of compensable diseases.

The judiciary committee will probably submit a final measure when the legislature reconvenes March 12.

PERSONALS

Edward C. Knapp, secretary of Aetna Casualty and of the accident and liability department of Aetna Life, observed his twenty-fifth anniversary with the organization.

Karl V. Lively, senior partner of the general agency of Bates, Lively & Pearson, Portland, Ore., recently observed his 70th birthday. He was entertained at a special luncheon. He has

been general agent of the Aetna Life companies since 1907.

Harry J. Leach, local agent at Morris, Ill., will mark his 30th anniversary of representation of Aetna Casualty March 25.

Vice-president R. N. Caverly of Fidelity & Casualty is on a Pacific Coast trip.

One of those rescued from the Santo Tomas prison camp in the Philippines was Mrs. Eugene Rider, who is a daughter of Thomas I. Hall of Employers Liability in New York and secretary of the Surety Underwriters Association of New York. Mrs. Rider is the wife of Commander E. C. Rider.

R. E. Hall, Chicago manager of Central Surety, has returned from a trip to the Mississippi gulf coast and New Orleans.

Pvt. Wm. H. Chatham, 21, medical corpsman attached to an armored infantry unit, formerly in the home office of the Standard Accident in Detroit, was killed in action in France.

CHANGES

Rourke to Seeley & Co. as Casualty-Surety Manager

George W. Rourke, Jr., has resigned as branch manager at Sacramento of United Pacific, to return to Seattle as manager of the Seeley & Co. general agency's casualty and surety department.

Mr. Rourke, a graduate of the University of Washington law school and a member of the bar, started in Aetna Casualty's claim and legal department in Seattle. In 1938 he entered private practice, specializing in insurance law, and in 1940 joined the United Pacific as surety special agent in Washington, Oregon and Idaho. In 1943 he was transferred to the casualty and auto de-

partment, being made branch manager at Sacramento in November, 1943.

Seeley & Co. represent Manufacturers Casualty, New Amsterdam Casualty and Sun Indemnity for casualty and surety.

Thompson Royal Indemnity Manager in Los Angeles

LOS ANGELES—Charles H. Thompson has been named manager of Royal Indemnity in Los Angeles, filling the vacancy caused by the death of E. W. Snyder. The appointment was announced by President John F. O'Loughlin, who, with Vice-president T. L. Bean, in charge of production, had been in the city for several days.

Mr. Thomas is a native of Denver and for 15 years has served with Globe Indemnity and Royal Indemnity in Los Angeles, recently as senior special agent.

W. W. Chalmers Joins Zurich

W. W. Chalmers, who has been with Liberty Mutual for the past seven years, has joined the U. S. head office of Zurich as counsel. He takes the place of John T. Casey, who has become insurance director of the Federation of American Farm Bureaus.

New Grange Mutual Officers

Grange Mutual Casualty of Columbus has elected Paul McNish second vice-president and Stanley Stowe, secretary-treasurer.

Sears to Globe Indemnity

A. C. Sears, who has been an automobile underwriter in the southern California branch office of the Fireman's Fund group, has resigned to become a special agent of Globe Indemnity, traveling out of Los Angeles.

SURETY

Rohrich Heads Surety Association of Pittsburgh

PITTSBURGH—Ralph A. Rohrich, Maryland Casualty, has been elected president of the Surety Association of Pittsburgh. He succeeds Edward D. Sweet, Massachusetts Bonding. James P. McMahon, Fidelity & Casualty, is the new vice-president and Henry S. Bepler, general agent, was reelected secretary-treasurer.

The executive committee is composed of Mr. Sweet, Horace T. Cator, Fidelity & Deposit; William H. Osborn, Aetna Casualty; Jesse R. Rossmann, Indemnity of North America, and James R. Wilson, Travelers.

Crosby T. Smelzer of the Tucker & Johnston agency, retiring vice-president, who according to precedent should have been nominated for president, was ineligible under the by-laws, because he changed his affiliation just prior to the annual meeting. The nominating committee commended his active interest in the organization and expressed regret at being precluded from placing his name in nomination.

Discuss Contract Recommendations

DETROIT—The agenda for the March 5 meeting of the Surety Association of Michigan includes a round-table discussion of the survey and recommendations recently prepared by the judiciary and fiduciary committee of the association covering contract forms and procedure in this field.

COMPANIES

National Automobile Premiums

The Feb. 8 issue carried an exhibit showing premiums of National Automobile as \$5,010,718. This figure should have been \$8,010,718, covering 1944 writings.

Accident & Cas.—Assets, \$5,508,471; inc., \$275,254; unearned prem., \$1,339,193; loss res., \$153,299; liab. res., \$900,167; comp. res., \$359,558; deposit, \$850,000; surplus, \$1,650,000. Experience:

	Net Prems.	Losses Ed.
Accident	\$ 45,128	\$ 10,763
Health	8,232	4,148
Group A. & H.	2,110	162
Auto liability	943,899	517,515
Other liability	383,739	101,676
Workmen's comp.	587,581	263,455
Fidelity	32,288	16,580
Surety	32,756	6,508
Glass	88,753	43,120
Burglary and theft.	243,165	82,352
Auto prop. damage.	366,190	213,471
Auto collision	6,242	2,608
Other P. D. and coll.	17,860	2,274
Total	\$2,757,943	\$1,264,632

American Fire & Casualty—Assets, \$1,582,227; inc., \$263,765; unearned prem., \$440,671; loss res., \$64,462; liab. res., \$259,657; comp. res., \$16,018; capital, \$250,000; surplus, \$267,618; inc., \$59,420. Experience:

Fire	\$ 93,976	\$ 25,104
Winds'm & Ext. Cov.	8,008	3,429
Inland Marine	1,936	1,542
Medical payments.	18,308	2,744
Auto liability	288,691	61,245
Other liability	24,068	1,421
Workmen's comp.	29,835	14,178
Fidelity	3,788	1,620
Surety	3,779	.....
Glass	2,807	1,415
Burglary and theft.	7,691	1,685
Auto prop. damage.	144,846	65,282
Auto collision	170,758	82,873
Other P. D. and coll.	10,959	376
Other auto	108,331	34,051
Total	\$ 917,781	\$ 296,966

Automobile Club Inter-Ins. Exch., Mo.—Assets, \$1,745,441; inc., \$198,918; unearned prem., \$533,992; loss res., \$94,649 (Schedule "P" Basis), liab. res., \$452,324; surplus, \$609,564; inc., \$67,201. Experience:

Auto liability	\$ 414,521	\$ 110,169
Auto-med. paym'ts.	39,321	6,923
Glass damage—auto.	319	102
Auto prop. damage.	126,659	54,600
Auto collision	215,388	115,082
Other Auto (fire, theft, tornado & misc. perils)	244,705	40,092
Total	\$1,040,913	\$ 326,968

Bankers Indemnity—Assets, \$10,274,951; inc., \$1,100,288; unearned prem., \$2,628,930; loss res., \$3,694,863; liab. res., \$2,197,168; comp. res., \$1,228,632; capital, \$1,000,000; surplus, \$1,000,000. Experience:

Accident	\$ 50,314	\$ 8,824
Health	10,611	5,283
Auto liability	1,259,757	373,719
Other liability	1,115,666	210,127
Workmen's comp.	1,613,882	707,852
Fidelity	2,227	35
Surety .....	.....	1,158
Plate glass	181,042	79,998
Burglary & theft.	550,572	177,905
Auto prop. damage.	486,418	266,826
Auto collision	15,542	6,592
Other P. D. and coll.	73,426	20,613
Total	\$5,359,373	\$1,856,523

Capitol Indemnity—Assets, \$517,624; inc., \$61,842; unearned prem., \$136,573; loss res., \$38,239; liab. res., \$67,327; capital, \$195,582; surplus, \$50,035; dec., \$39,354. Experience:

Medical Expense	\$ 9,821	\$ 2,337
Conversion	105	378
Towing	160	44
Auto liability	91,339	12,639
Fidelity	939	116
Surety	26,187	10,504
Auto comprehensive	26,429	.....

COMPANY CHARTER FOR SALE

Indiana Special Assessment Charter Permits writing of Life—Health—Accident. For particulars address Box B-12, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Dependable Insurance Service

plus

Aggressive Selling Assistance

A multiple-line stock casualty company which offers financial strength—prompt claim service—up-to-the-minute sales and advertising aids—standard policies. It will pay you to investigate The Buckeye Union, an aggressive company for aggressive agents. Writing Automobile, Plate Glass, Burglary and Public Liability.

The
Buckeye Union
Casualty Co.
HOME OFFICE
Columbus, Ohio

A Stock
Company

Territory in
Ohio and
Indiana

Auto pro
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	Net Prems.	Losses Pd.
Auto prop. damage.	58,303	16,681
Auto collision	63,303	40,866
Auto fire-theft-tornado	4,250	395
Total	\$ 280,836	\$ 83,960

Central Mutual Cas. —Assets, \$353,679; inc., \$51,568; unearned prem., \$115,919; loss res., \$12,862; liab. res., \$60,310; surplus, \$151,991; inc., \$33,630. Experience:		
Auto liability	\$ 96,393	\$ 26,655
Glass	12,009	4,459
Auto prop. damage.	32,898	19,234
Auto collision	44,424	29,228
Other auto	46,779	13,811
Total	\$ 232,504	\$ 93,388

Central States Mutual, In. —Assets, \$113,115; dec., \$1,577; unearned prem., \$54,008; loss res., \$9,150; liab. res., \$6,060; surplus, \$34,189; inc., \$2,887. Experience:		
Auto liability	\$ 27,600	\$ 18,036
Auto prop. damage.	21,221	7,787
Auto collision	20,593	10,108
Auto theft	9,220	463
Other auto	15,536	5,675
Total	\$ 94,170	\$ 42,069

Commercial Standard —Assets, \$5,084,146; unearned prem., \$1,708,010; loss res., \$260,587; liab. res., \$785,757; comp. res., \$857,471; capital, \$605,000; surplus, \$470,191. Experience:		
Fire	\$ 202,577	\$ 53,445
Tor. & ext. cover.	106,705	44,488
Inland marine	53,660	19,624
Title	59,942	543
Auto liability	1,098,268	458,879
Other liability	136,245	14,942
Workmen's comp.	1,339,708	582,876
Fidelity	27,035	3,055
Surety	62,237	151,858
Glass	43,954	16,133
Burglary and theft.	27,074	5,142
Auto fire	139,003	83,995
Auto theft	52,446	33,607
Auto prop. damage.	470,977	200,648
Auto collision	449,426	356,570
Other P. D. and coll.	35,451	4,759
Other auto	127,161	42,856
Total	\$4,431,878	\$2,073,431

Erie Exchange, Pa. —Assets, \$798,592; inc., \$102,658; unearned prem., \$248,024; loss res., \$40,992; liab. res., \$122,705; surplus, \$291,458; inc., \$4,796. Experience:		
Accident	\$ 4,425	\$ 140
Auto liability	233,341	51,807
Other liability	1,416	.....
Fire & ext. cover.	46,754	14,233
Auto prop. damage.	155,889	66,685
Auto collision	90,330	80,250
Other P. D. and coll.	66	.....
Other auto	80,561	28,910
Total	\$ 612,782	\$ 242,025

Eureka Casualty —Assets, \$4,160,072; inc., \$608,619; unearned prem., \$491,612; loss res., \$84,919; liab. res., \$345,070; comp. res., \$1,941,727; capital, \$500,000; surplus, \$500,000. Experience:		
Auto liability	\$ 300,405	\$ 92,933
Other liability	69,964	7,378
Workmen's comp.	1,601,738	695,054
Fidelity	122	—32
Plate glass	19,818	6,210
Burglary & theft.	16,252	3,158
Auto prop. damage.	133,479	74,689
Auto collision	1,806	1,148
Other P. D. and coll.	6,509	1,024
Total	\$2,150,097	\$ 881,565

General Indemnity Exch., Mo. —Assets, \$409,788; inc., \$36,008; unearned prem., \$35,793; loss res., \$1,456; liab. res., \$63,681; comp. res., \$14,450; surplus, \$197,490; inc., \$32,799. Experience:		
Auto liability	\$ 24,997	\$ 2,359
Other liability	14,724	6,202
Workmen's comp.	11,801	3,102
Auto prop. damage.	9,196	2,081
Auto collision	6,770	1,955
Other auto	9,263	941
Total	\$ 76,751	\$ 16,640

Great Central Mutual, Ill. —Assets, \$255,526; inc., \$88,931; unearned prem., \$62,236; loss res., \$29,217; capital, \$25,000; surplus, \$113,502; inc., \$33,508. Experience:		
Burglary & theft.	\$ 498,866	\$ 118,087

Hardware Mutual Cas. —Assets, \$22,440,844; inc., \$2,834,926; unearned prem., \$5,645,647; loss res., \$565,412; liab. res., \$4,786,623; comp. res., \$4,107,822; sp. res., \$1,600,000; surplus, \$2,729,194; inc., \$317,185. Experience:		
Accident	\$ 30,472	\$ 3,003
Auto liability	4,202,782	1,193,161
Other liability	952,318	129,263
Workmen's comp.	5,817,179	2,269,372
Glass	233,126	78,818
Burglary and theft.	240,638	60,548
Auto prop. damage.	1,735,614	646,422
Auto Collision	1,256,593	591,849
Other P. D. and coll.	124,220	15,612
Total	\$14,582,943	\$4,988,046

Hartford Accident —Assets, \$119,702,750; unearned prem., \$20,770,847; loss res., \$4,655,753; liab. res., \$18,308,318; comp. res., \$18,625,925; capital, \$5,000,000; surplus, \$25,000,000. Experience:		
Accident	\$1,187,467	\$ 278,386
Health	88,287	39,915
Group A. & H.	266,165	89,936
Auto liability	11,358,971	4,272,322
Other liability	6,745,145	1,869,456
Workmen's comp.	18,718,482	9,683,955
Fidelity	2,372,601	390,654
Surety	2,085,693	229,621
Glass	592,872	216,839
Burglary and theft.	2,576,719	588,093
Boiler & machinery.	—38	.....
Surety	1,089	.....

Home, Hawaii —Assets, \$2,821,631; inc., \$938,146; unearned prem., \$379,461; capital, \$1,000,000; surplus, \$1,023,210; inc., \$315,012. Experience:		
Accident	\$ 4,659	\$ 57
Auto liability	105,956	3,585
Other liability	21,206	429
Workmen's comp.	85,021	7,375
Fidelity	132	.....
Surety	1,089	.....

Indemnity of North Amer. —Assets, \$53,369,425; inc., \$7,782,907; unearned prem., \$10,711,059; loss res., \$4,522,088; liab. res., \$8,363,368; comp. res., \$6,266,743; capital, \$2,500,000; surplus, \$12,500,000; inc., \$664,073. Experience:		
Accident	\$ 965,927	\$ 203,110
Health	44,852	18,904
Auto liability	4,233,028	1,292,394
Other liability	4,271,286	781,569
Workmen's comp.	5,170,151	2,175,367

DISHONESTY LOSSES ARE ON THE INCREASE

Faked hold-ups, padded payrolls, thefts of material, merchandise and money are causing huge losses to employers. The critical manpower shortage, resulting in a large turnover of employees, and the lack of adequate auditing facilities are contributing factors.



Black Sheep create your Opportunity

Fidelity Insurance is more in demand than ever before.

Manufacturers' investigating facilities and broad coverages under Blanket Fidelity Bonds will assist you in developing this business.

Agents alert to the true situation are making money today and are building a firm foundation of Good-Will for tomorrow.



MANUFACTURERS

Casualty Insurance Company • Fire Insurance Company

PHILADELPHIA

W. STANLEY KITE, President

CASUALTY • BONDS • FIRE • MARINE

	Net Prem.	Losses Pd.
Fidelity	1,416,156	205,141
Surety	676,583	51,203
Glass	279,323	100,768
Burglary and theft..	1,368,747	270,420
Boiler & machinery..	158	158
Auto prop. damage..	1,565,695	667,131
Auto collision	27,981	9,608
Other P. D. and coll.	1,197,220	185,513
Water damage	36,554	8,055
Total	\$21,253,667	\$5,969,209

Inland Mutual Ins. Co.—Assets, \$305,153; inc., \$55,459; unearned prem., \$112,828; loss res., \$9,474; liab. res., \$106,105; surplus, \$64,179; inc., \$35,446. Experience:	
Auto liability	\$130,878 \$ 48,577
Auto fire	10,911 4,072
Auto theft	2,865 423
Auto prop. damage..	67,530 18,635
Auto collision	20,867 9,568
Other auto, cargo..	7,512 959
Total	\$ 240,563 \$ 82,234

Insurers Indemnity & Ins. Okla.—Assets, \$1,430,166; inc., \$107,506; unearned prem., \$223,681; loss res., \$25,009; liab. res., \$101,876; comp. res., \$254,059; capital, \$250,000; surplus, \$350,000. Experience:	
Auto liability	\$132,971 \$ 81,907
Other liability	42,244 1,577
Workmen's comp....	592,745 314,771

	Net Prem.	Losses Pd.
Surety	738	.....
Glass	6,558	4,552
Burglary and theft..	8,926	3,585
Auto prop. damage..	66,803	51,759
Auto collision	17,665	10,077
Other P. D. and coll.	9,005	271
Other auto	15,131	3,047
Total	\$ 892,786	\$ 471,546

Jamestown Mutual—Assets,	\$3,250,351;	
inc., \$68,124; unearned prem.,	\$893,898;	
loss res., \$35,568; liab. res.,	\$564,421;	
comp. res., \$748,677; surplus,	\$802,478;	
dec., \$21,420. Experience:		
Accident	\$ 1,362	
Auto liability	838,415	\$ 297,830
Other liability	124,413	23,008
Workmen's comp. ..	1,505,259	734,762
Glass	1,457	254
Auto prop. damage.	295,999	134,217
Auto collision	11,958	4,908
Other P. D. and coll.	5,512	433
Total	\$2,784,375	\$1,195,412

Keystone Mutual Cas.—Assets, \$2,590,049; inc., \$175,551; unearned prem., \$824,033; loss res., \$103,005; liab. res., \$748,641; comp. res., \$39,809; surplus, \$675,000; inc., \$258,451. Experience:		
Auto liability	\$1,202,092	\$ 190,281
Other liability	59,080	5,444
Workmen's comp ...	89,015	18,919
Fidelity	13,680	.....

	Net Prem.	Losses Pd.
Surety	31,812	.....
Glass	11,899	5,428
Burglary and theft..	19,266	3,905
Auto prop. damage..	489,084	160,286
Auto collision	21,755	19,767
Other P. D. and coll.	3,439	344
Filing fees	23,253	.....
Total	\$1,964,375	\$ 404,344

Loyal Protective Life—Assets, \$4,325,215; unearned prem., \$376,788; loss res., \$217,279; non-can A&H res., \$223,034; capital, \$600,000; surplus, \$1,904,353. Experience:	
Accident	\$ 391,201 \$ 187,927
Group A. & H.	6,222 3,795
Non-can. H. & A.	1,159,680 288,905
Total	\$1,557,104 \$ 480,629

Manuf. & Wholesalers Indem. & Exch. Col.—Assets, \$506,980; inc., \$46,243; unearned prem., \$113,071; loss res., \$18,357; liab. res., \$69,558; surplus, \$296,026; inc., \$16,820. Experience:	
Auto liability	\$ 108,942 \$ 29,648
Other liability	28,846 446
Cargo	2,223 64
Med. pay. other than auto	178 8
Auto prop. damage..	53,470 25,415
Auto collision	41,417 13,820
Other P. D. and coll.	5,649 783
Other auto	48,087 11,037
Total	\$ 288,815 \$ 81,223

Michigan Mutual Auto—Assets, \$396,318; inc., \$59,019; unearned prem., \$118,180; loss res., \$21,798; liab. res., \$25,305; surplus, \$125,824; inc., \$19,781. Cont. res., inc., \$5,000 to \$25,000. Experience:	
Fire	\$ 12,729 \$ 2,926
Theft	11,359 1,879
Auto liability	106,721 29,491
Auto prop. damage..	64,724 27,364
Auto collision	49,807 37,586
Other auto	18,172 6,003
Total	\$ 263,511 \$ 105,249

National Casualty—Assets, \$7,458,320; inc., \$822,438; unearned prem., \$1,410,379; loss res., \$702,961; liab. res., \$446,564; comp. res., \$292,616; capital, \$1,000,000; surplus, \$1,750,000; inc., \$250,000. Experience:	
Accident	\$2,819,228 \$ 973,452
Health	1,409,211 654,886
Group A. & H.	468,717 243,115
Auto liability	344,652 181,735
Other liability	168,242 32,955
Workmen's comp....	334,606 137,955
Fidelity	22,510 1,943
Surety	29,625 3,279
Glass	31,180 12,879
Burglary and theft..	90,625 22,841
Auto prop. damage..	139,966 77,543
Auto collision	2,804 2,879
Other P. D. and coll.	11,765 846
Total	\$5,873,131 \$ 2,339,750

National Grange Mut. Liab.—Assets, \$4,336,093; inc., \$499,276; unearned prem., \$864,368; loss res., \$135,000; liab. res., \$1,469,034; surplus, \$1,000,000. Experience:	
Auto liability	\$1,330,296 \$ 374,401
Other liability	39,434 1,030
Auto prop. damage..	504,206 148,577
Auto collision	114,143 44,320
Other P. D. and coll.	2,832 535
Total	\$1,990,911 \$ 568,863

National Protective—Assets, \$1,426,764; inc., \$411,089; unearned prem., \$220,603; loss res., \$90,724; capital, \$200,000; surplus, \$579,132; inc., \$64,899. Experience:	
Accident	\$ 316,745 \$ 49,680
Health	280,811 105,686
Total	\$ 597,557 \$ 155,367

Northwest Casualty—Assets, \$4,167,697; inc., \$90,197; unearned prem., \$1,329,319; loss res., \$300,195; liab. res., \$1,082,979; capital, \$400,000; surplus, \$819,452; inc., \$261,806. Experience:	
Group A. & H.	\$ 13,607 \$ 8,991
Auto liability	856,155 183,747
Other liability	232,564 24,460
Surety	9,720
Glass	26,394 11,753
Burglary and theft..	71,427 15,124
Auto prop. damage..	428,025 157,440
Auto collision	617,486 321,289
Other P. D. and coll.	23,352 3,671
Other auto	372,024 110,974
Total	\$2,651,759 \$ 837,151

Ohio Casualty—Assets, \$13,757,959; inc., \$1,327,207; unearned prem., \$3,892,147; loss res., \$801,034; liab. res., \$2,872,908; comp. res., \$79,888; capital, \$1,200,000; surplus, \$3,300,000; inc., \$300,000. Experience:	
Accident	\$ 215,581 \$ 20,988
Auto liability	2,532,168 703,044
Other liability	526,301 73,022
Workmen's comp....	107,235 23,409
Fidelity	233,580 23,848
Surety	230,458 7,133
Glass	167,007 66,275

	Net Prem.	Losses Pd.
Burglary and theft..	280,238	42,775
Auto prop. damage..	1,324,902	424,231
Auto collision	805,724	297,972
Other P. D. and coll.	59,682	5,147
Other Auto	613,164	152,880
Total	\$7,146,040	\$1,826,458

Oregon Automobile—Assets, \$1,019,532; inc., \$147,637; unearned prem., \$403,359; loss res., \$21,100; liab. res., \$129,850; capital, \$150,000; dec., \$69,688. Experience:	
Accident	\$ 13,673 \$ 2,049
Auto liability	267,928 39,078
Bond	354
Auto fire	44,061 9,038
Auto theft	31,089 8,713
Auto comp.	8,792 7,186
Cargo	7,259 1,263
Auto prop. damage..	149,539 55,771
Auto collision	183,971 121,975
Misc. cas.	14,105 2,955
Fire	26,171 1,940
Total	\$ 746,946 \$ 249,973

Seaboard Mutual Cas.—Assets, \$168,813; dec., \$99,742; unearned prem., \$47,375; loss res., \$7,798; liab. res., \$29,149; comp. res., \$2,321; surplus, \$75,133; inc., \$143. Experience:	
Accident	\$ 110
Hospitalization	10,121 2,033
Auto liability	39,894 9,566
Other liability	1,841 220
Workmen's comp....	6,489 2,312
Surety	11,040
Glass	401 264
Burglary and theft..	14
Auto prop. damage..	16,483 5,710
Auto collision	3,976
Other P. D. and coll.	249 76
Total	\$ 90,618 \$ 20,181

Selected Risks Indem.—Assets, \$2,524,797; inc., \$359,501; unearned prem., \$495,218; loss res., \$80,295; liab. res., \$387,805; comp. res., \$337,810; capital, \$350,000; surplus, \$650,821; inc., \$115,059. Experience:	
Auto liability	\$ 451,238 \$ 164,171
Other liability	13,705 2,179
Workmen's comp....	339,165 123,787
Auto prop. damage..	206,587 89,767
Auto collision	74,309 38,208
Other P. D. and coll.	1,686 489

Standard, Tulsa—Assets, \$325,462; inc., \$325,462; unearned prem., \$11,742; loss res., \$60; liab. res., \$348; comp. res., \$6,008; capital, \$250,000; surplus, \$55,554; inc., \$55,554. Experience:	
Auto liability	\$ 2,160
Other liability	1,281
Workmen's comp....	15,843 1,734
Glass	88
Burglary and theft..	79
Auto prop. damage..	1,423
Auto collision	1,134
Other P. D. and coll.	10
Other auto	1,177
Total	\$ 23,195 \$ 1,734

Time—Assets, \$482,107; inc., \$96,740; unearned prem., \$121,391; loss res., \$103,453; capital, \$100,000; surplus, \$109,646; inc., \$23,393. Experience:	
Accident & Health..	\$ 903,942 \$ 412,444

Tennessee Odin—Assets, \$1,047,551; inc., \$123,545; unearned prem., \$283,663; loss res., \$48,165; liab. res., \$267,907; comp. res., \$39,217; capital, \$250,000; surplus, \$124,354; dec., \$25,040. Experience:	
Fire	\$ 22,028 \$ 8,666
Theft	3,216 2,220
Compreh. liab.	1,460
Auto liability	238,193 48,856
Other liability	7,662 1,169
Workmen's comp....	74,534 21,809
Personal accident..	7,871 2,363
Comprehensive	43,655 18,193
Auto prop. damage..	101,315 53,032
Auto collision	56,114 30,745
Other P. D. and coll.	951 104
Fire (Odin)	33,083 15,535
Total	\$ 590,090 \$ 202,696

Traders & General—Assets, \$3,018,506; inc., \$383,360; unearned prem., \$677,162; loss res., \$104,093; liab. res., \$382,572; comp. res., \$815,940; capital, \$500,000; surplus, \$372,111; dec., \$59,365. Experience:	
Auto fire & theft..	\$ 46,165 \$ 15,289
Auto tornado	1,068 24
Auto liability	249,162 75,338
Other liability	119,455 8,867
Workmen's comp....	1,555,749 684,729
Fidelity	281
Surety	423
Glass	15,939 6,006
Burglary and theft..	5,460 1,193
Inland marine	955
Auto prop. damage..	106,472 46,745
Auto collision	157,311 99,460
Other P. D. and coll.	30,487 2,725
Other auto	64,527 33,206
Total	\$2,353,454 \$ 973,582

J.C. *this is it!* J.C.

First Time Anywhere
A Junior Comprehensive
 (Series "A")
Dishonesty
Disappearance
Destruction
Blanket Bond
 at moderate cost
 for the small enterprise

Descriptive Folder & Rates Upon Request

ANCHOR CASUALTY COMPANY
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 Anchor Your Bond Business

Note this
 Complete Coverage

\$1000.00
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 Fidelity
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\$500.00
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 Broad Form
 (Blanket Inside & Outside)

\$500.00
 Safety Deposit Box
 Securities
 Cover at Bank

\$500.00
 Depositor's
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 (Insured's Issue)

Total \$2500.00

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 "B" Bond
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 amounts for larger risks.



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FEDERAL LIFE AND CASUALTY CO.
 DETROIT - - MICHIGAN

stressed because pointed out that if N. suring grip L. this busi is no pr the depa sured cla He said the bill underwri would pu business other inl filed with directed" check if discrimi departme cept in grieved c While with the objection hopeful granted if that will partment threatenin ocean ma writers.

Former lan of Po for the o the two t power to and serv the public denson e Kaplan c sonable measured or by the voluntary for the or said he k or federal the power what is u ganization would co which the to make.

The pr virtually c national r President mine whet each indus "public in said it sho ered it to is beyond necessitate decision. As for t scribes, a to appeal t sion of th said that rights he When a su a subscrib

For one of cles. Musi experience take full c Please giv and emplo pected. Fo Good prop Bray & Ba querque, N

Leading sto eral lines m tory. Our e B-18. The Na Blvd., Chicag

Clash on Uniform Bill Relating to Accounting

(CONTINUED FROM PAGE 20)

stressed the difficulty that faces insurers because of the S.E.U.A. decision. He pointed out that some risks can be class rated and others cannot. He conceded that if New York were to tie up the insuring of bridges for example in a tight grip Lloyds could walk in and take all this business. At the same time, if there is no provision for departmental review the department is powerless if an insured claims he was charged too much. He said he believed the amendment to the bill would protect the "wet" marine underwriters' interests, that the bill would provide for filings on class rated business and that the provision that "all other inland marine risks rated shall be filed with the superintendent only when directed" enables the department to check if rates are excessive or unfairly discriminatory. He indicated that the department would not call for rates except in case of complaint by an aggrieved customer.

While discussion of the bill closed with the ocean marine representatives' objections still unsatisfied, they are hopeful that another hearing will be granted in order to work out a wording that will accomplish the aims of the department and the I.M.U.A. without threatening the freedom of action of the ocean marine and transportation underwriters.

Former State Senator Abraham Kaplan of Powers, Kaplan & Berger led off for the opposition in the discussion of the two bills giving the superintendent power to review the actions of rating and service organizations and if against the public interest or unreasonably burdensome to rescind or modify them. Mr. Kaplan contended that what is "unreasonable" is something that cannot be measured either by the superintendent or by the courts and that in the case of voluntary organizations this is a matter for the organization itself to decide. He said he knew of no statute, either state or federal, that gives a department head the power to substitute his judgment of what is unreasonable for that of the organization. He argued that the bill would constitute a delegation of power which the legislature was not authorized to make.

The proposal, Mr. Kaplan said, was virtually on all fours with the ill-fated national recovery act under which the President was given the power to determine whether the code to be adopted by each industry was fair or not. As to the "public interest" provision, Mr. Kaplan said it should be defined but he considered it to be a delegation of power that is beyond the legislature's means and not necessitated by anything in the S.E.U.A. decision.

As for the bill's provision giving subscribers, along with members, the right to appeal to the department from a decision of the organization, Mr. Kaplan said that if any subscriber wants any rights he should become a member. When a subscriber elects to become only a subscriber and not a member, which

he could do without additional charge, he also elects not to participate in the organization's deliberations and actions.

In answer, Mr. Dineen emphasized the public character of rate making, citing as evidence the fact that Texas makes it a state function. He stressed the fact that the basic law of the land is that any agreement to fix prices is illegal of itself and he implied that New York state in saying that insurers can join to make rates has a responsibility over the actions of rate-making organizations. As for the vagueness of the term "unreasonably burdensome," complained of by Mr. Kaplan, Mr. Dineen said that for

many years the insurance law of New York has specified that rates shall not be inadequate, excessive, unfairly discriminatory, or "otherwise unreasonable." In view of this precedent he saw nothing wrong with the phrases "in the public interest" or "unreasonably burdensome."

Before the discussion of the amendment proposed for the rating law, Mr. Dineen made several minor changes in wording and a more important one which substituted the word "shall" for "may" so that the sentence covering deviations for expense would read "the superintendent shall give consideration

to the expense ratios of the applicant insurer."

Speaking for the New York state association of local agents, Jay W. Rose, executive secretary and treasurer, said that, while the association is not in favor of deviations, it is only logical that if the deviations for loss experience are to be based on at least five years' experience there should be a similar period of experience for expense deviations. He said that a company should not be permitted to say that it is going to cut commissions next year and seek a deviation based on it.

Mr. Dineen said he could not accept

Organized 1875

ACCIDENT AND CASUALTY INSURANCE COMPANY

OF WINTERTHUR, SWITZERLAND

UNITED STATES BRANCH

December 31, 1944

Financial Statement

ADMITTED ASSETS

Cash and U. S. Government Securities	\$2,771,132.13
Other Bonds	1,563,593.13
Stocks	445,660.00
Other Assets	728,086.02
Total	\$5,508,471.28

LIABILITIES

Reserve for Claims	\$1,427,024.63
Reserve for Unearned Premiums	1,339,192.70
Reserve for Other Liabilities	242,253.95
Statutory Deposit with New York . . . \$	850,000.00
Surplus Over Deposit	1,650,000.00
Policyholders' Surplus	2,500,000.00
Total	\$5,508,471.28

Bonds and Stocks owned are valued in accordance with requirements of New York State Insurance Department and National Association of Insurance Commissioners. Securities carried in the above Statement at \$1,400,000.00 are deposited as required by law.

On the basis of December 31, 1944, market quotations for all Bonds and Stocks owned, this Company's total Admitted Assets would be increased to \$5,589,581.29.

OGDEN DAVIDSON
United States Manager

111 JOHN STREET

CHARLES A. BARKIE
U. S. Assistant Manager

NEW YORK 7, N. Y.

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For one of New Mexico's largest agencies. Must have casualty underwriting experience in all lines, with ability to take full charge of underwriting details. Please give age, family, past experience and employment, also state salary expected. Forward picture with first letter. Good proposition to right party. Write Bray & Banes Agency, Box 1599, Albuquerque, New Mexico.

WANTED — SPECIAL AGENT

Leading stock casualty company desires general lines man for Western Pennsylvania territory. Our employees know of this ad. Address B-18, The National Underwriter, 175 W. Jackson Blvd., Chicago 4, Illinois.

Mr. Rose's suggestion because it would mean that a company which made a commission cut would have to wait for five years before being able to pass the saving on to the public.

Four bills all having the general object of strengthening the companies financially, were considered together.

As a result of an executive conference with members of the senate and assembly insurance committees, before whom the hearing was held, and interested insurance representatives, Mr. Dineen concluded not to press for passage of the bill setting up catastrophe reserve requirements and the one prohibiting casualty-surety companies from paying cash dividends to stockholders unless after such declaration the policyholders surplus is equal to at least 40% of net premiums written in the preceding year. He indicated that he would hold in abeyance the bill which would disallow as a credit the unearned premium reserve of alien insurers on balances in the hands of agents.

Nearly all the discussion on this group of bills centered on the one which would force stock casualty and surety companies to raise their capital during the next 10 years to the level required for start-

ing a new company under the law as amended in 1937. Companies already in existence at that time were permitted to go along on the basis of the old law's requirements.

Mr. Wagner pointed out that under the new law a company must have \$1,800,000 to write all casualty and surety lines as against \$960,000 under the old law. He recalled that when the insurance law was recodified the stock companies obtained this concession on the ground that they had been through the wringer and were in a sounder position than a new company starting out with the capital required under the former law. He emphasized that the old law's requirements are as large as or larger than those of most other large states. He mentioned the following states and their requirements: Massachusetts, \$800,000; California, \$850,000; Ohio, \$100,000; Pennsylvania, \$750,000; Illinois, \$300,000; New Jersey, \$1 million; Indiana, \$300,000; Michigan, \$450,000. He pointed out that New Jersey is the only one of these states whose requirements are larger than those of New York under the old law.

As to the number of companies that would be affected, Mr. Wagner said that

of the 56 that would have to raise their capital, 51 could do it by taking the money out of surplus, but that this would not increase the policyholders surplus. He said that in practically doubling the casualty companies' requirements the 1937 recodification was clear out of line with the moderate boost imposed on the fire companies.

Mr. Dineen said that four out of the five companies mentioned by Mr. Wagner are subsidiaries of very strong companies and that the fifth "is like the poor uncle—it will always be with us." Emphasizing that the bill gives 10 years in which to make the adjustment, he declared that if a company can't do it in that length of time it doesn't belong in the state. He indicated that he is merely interested in getting all companies on the same basis and wondered whether the capital requirements may not be so high as to make it practically impossible for anyone to start an insurance company in New York.

John L. Train Is Heard

Representing the New York State mutual casualty companies, John L. Train, president Utica Mutual, said he was opposed to the bill which would require stock companies issuing participating policies to file classifications of risks with the department before payment of dividends, unless similar treatment were given the mutual casualty companies, which now must obtain the actual approval of the department for their dividend payments.

Mr. Wagner objected to the bill which would apply the premium tax to charges made by boiler insurance companies for inspection work not involving any insurance. He said that with all the taxes that the companies pay he saw no reason for regarding these charges as premiums and asked, "Why scrape the barrel?"

Leave It to Legislature

Mr. Dineen said that in view of the huge amount which the insurance companies collected in New York as compared with the tax they pay "we are not within miles of the bottom of the barrel." However, he said he would leave it up to the legislature to judge whether the taxing of these charges was reasonable or constituted barrel-scraping.

Asked by one of the committee whether this non-insurance inspection work was profitable, Mr. Dineen got quite a laugh by saying, "if we had uniform accounting I could tell you."

C. W. Burnham of the New York City brokerage firm of Dunlaevy, Cleaves & Burnham, speaking for the insurance brokers' association, expressed agreement with the general purpose of the bill to require warehousemen to charge no more than licensed insurers do for the coverage they provide for their customers. He asked that the bill be amended in several details, as in its present form it would result in such complications of accounting under open policies that the cost would be more than the premiums.

W. W. Ellis, executive vice-president of the Insurance Brokers Association, suggested that insurance counsellors might well be included in the bill which would provide that the words insurance, assurance, underwriter or their synonyms could not be used in advertising

unless the advertiser were licensed under the insurance law.

There was no comment on the bill to provide that reinsurance cannot be credited on the books of a ceding insurer unless the assuming company records the transactions on its books as of the same effective date. This makes it mandatory on the assuming company to take on the liability before the ceding company escapes it and plugs a loophole which one group of companies made use of.

Neither was there any discussion of the bill permitting the superintendent to levy a fine up to \$500 in cases where revocation of license would not be appropriate, nor was there any objection to the bill giving the superintendent power to call for the production of records of licenses without resort to issuance of a subpoena.

Mr. Dineen withdrew the bill relating to the pledging of investments as security for loans in view of the purchase of war bonds, which would complicate the measure's enforcement. He said the bill would be introduced again when this was no longer the case.

W. J. Mahoney, chairman of the senate insurance committee, conducted the hearing.

Michigan Holds Up Action on Casualty Rating Bill

LANSING, MICH.—Efforts to complete drafting a rate control bill to cover all casualty lines in Michigan have been suspended temporarily pending a conference in New York at which counsel for the Association of Casualty & Surety Executives and for other interested groups and carriers will attempt to formulate a uniform bill suitable for adoption by all of the states.

Michigan's law covering damage actions based on wrongful death, injury or property damage would be opened up to consideration of liability on a comparative negligence basis under terms of a bill introduced in the house.

The measure would redefine contributory negligence, which now bars recovery, by declaring that "in all actions hereafter brought *** the fact that the plaintiff or plaintiff's decedent may have been guilty of contributory negligence shall not bar a recovery but damages shall be diminished by the trier of the facts, whether court or jury, in proportion to the amount of negligence."

A substitute for the bill to abolish the defense of governmental function in Michigan has been reported from the senate judiciary committee, which would make such abolishment retroactive to Nov. 1, 1943. The state court of claims a few months ago found a 1943 act on the same subject unconstitutional.

Iowa Compulsory Bill Killed

DES MOINES—The compulsory automobile insurance bill was killed in the Iowa legislature by action of the house insurance committee which returned a recommendation for indefinite postponement.

A house bill would make motor vehicle accident reports confidential for the testimony of officers on the report to be entered in civil court cases.

A senate bill would place employees working for insurance companies on farms under compensation laws.

Merchants Mutual Casualty of Buffalo has purchased, and after the war will spend \$100,000 in modernizing a six-story home office building in downtown Buffalo.

E. L. Thomas, 47, assistant general manager of the coast department of Fire Companies Adjustment Bureau, died at San Francisco, after several weeks' illness. Following his discharge from the army in the former war in which he served as a pilot, he went with Pacific Coast Adjustment Bureau in 1922. He received his most recent appointment in 1943.

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Colin L. Ward, Asst. Manager. Was District Manager for seven years of the Jefferson Adjustment Bureau, now President of the Washington Claim Men's Assn., is a Dickson specialist in Casualty and Compensation Investigation.

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... for Inland Marine audits and inspections, bond and burglary loss audits and hospital malpractice surveys. We protect our clients from every possible insurance and tax contingency. "Bargain" rates for such services may imply a lack of quality.

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State Redu

MINN dwellings througho policies v nounced spection to fourth and in al

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The In St. Paul got a nic giving th credit for J. V. Me on dwelli houses.

Bricker of May

Former has been of Mayflo A. Lloyd tral Life perintend and that Mr. in the m has asse sures mu western Lumberm Other off nest C. C president tary-treas is assista Gorman, Mayflo Calvin R ests two secretary charge o with L.

Insurance Ohio

COLUM merce of operation Insurance day fire ence to university attendanc tended fo and cent be open women, and loca will be n and a dir nent insu eight sp and the between

Minn. L ST. P censed a departme been rec ance con effective Aug. 1, 1

INSURANCE NEWS BY SECTIONS

MIDDLE WESTERN STATES

State-wide Rate Reduction in Minn.

MINNEAPOLIS — Reductions on dwellings and contents and outbuildings throughout Minnesota, effective on all policies written after Feb. 15, are announced by the Fire Underwriters Inspection Bureau. The reduction in first to fourth class cities is 4 cents per \$100 and in all other localities 2 cents.

These reductions bring Minnesota rates pretty much in line with those of other states. There are now five tables instead of four. The bureau's circular to agents states that existing policies shall not be cancelled or rebated on a pro rata basis to take advantage of the reduced rates. This is the first state-wide reduction in several years in Minnesota.

The Insurance Agents Association of St. Paul capitalized on the reduction and got a nice news play in the local papers, giving the fire department a share in the credit for the reduction, which President J. V. Merrill said amounts to 15 to 28% on dwellings and 7 to 15% on apartment houses.

Bricker Becomes President of Mayflower Mutual

Former Governor Bricker of Ohio has been elected president and a director of Mayflower Mutual of Columbus. John A. Lloyd, vice-president of Union Central Life and former Ohio insurance superintendent, has been named vice-president and a director. It is understood that Mr. Bricker will take an active part in the management of the company. It has assets of about \$250,000 and reinsures much of its business with Northwestern Mutual Fire of Seattle and Lumbermen's Mutual of Mansfield. Other officers of the company are: Ernest C. Cook, agency director and vice-president, and John G. Case, Jr., secretary-treasurer. Walter E. Roudabusch is assistant treasurer and Frances M. Gorman, assistant secretary.

Mayflower was organized in 1937 by Calvin Reese, who disposed of his interests two years later. John G. Case, Jr., secretary-treasurer, has been in active charge of the company since that time, with L. Kirts, Jr., as president.

Insurance Conference at Ohio University April 30

COLUMBUS — The college of commerce of Ohio State University, in cooperation with the Ohio Association of Insurance Agents and the Columbus Insurance Board, has arranged a one-day fire and casualty insurance conference to be held on the campus of the university at Columbus April 30, with attendance limited to 300. It is intended for insurance men in Columbus and central Ohio. The conference will be open to all insurance men and women, whether members of the state and local associations or not. There will be morning and afternoon sessions and a dinner in the evening, with prominent insurance speakers. There will be eight speakers at the regular sessions and the talks will be divided equally between fire and casualty.

Minn. License Bill Changed

ST. PAUL — The bill to exempt licensed agents from taking insurance department license examinations has been recommended by the senate insurance committee which has changed the effective date to Aug. 1, 1943, instead of Aug. 1, 1944. A new house bill exempts

agents of domestic farm companies from procuring a license.

Several departmental bills have been introduced, one to increase the insurance department's examination fee from \$15 to \$25, except for township mutuals and certain other mutuals.

Heath with Hadley Agency

DETROIT — F. A. Heath has joined the S. C. Hadley agency as vice-president and manager of the insurance department. He has been in the insurance field since graduating from the University of Michigan 15 years ago and is also a graduate of the Aetna Casualty school.

He has held responsible posts with General Accident, Metropolitan Life, Continental Casualty and Home Life in Detroit. He is a former secretary of the Detroit Accident & Health Association.

"Homecoming" to Honor Lund

MINNEAPOLIS — A stag "homecoming" in the form of a testimonial dinner for General Manager Charles J. Lund of the Fire Underwriters Inspection Bureau will be held here March 3. All present inspectors of the bureau and those who have "graduated" from the bureau and are still in some branch of the insurance bureau have been invited.

Mr. Lund is observing his 37th year with the bureau and all of those who will attend have worked with him at one time in the bureau.

F. H. Kross Makes Change

F. H. Kross has resigned as co-manager with W. F. Graham of the life department of General Underwriters agency, general agent for Connecticut General Life in Detroit, to join the C. E. Stumb agency of Connecticut Mutual there, specializing in pension and profit-sharing plans.

Hear McCabe on Tax Inequality

MINNEAPOLIS — Ben C. McCabe, president National Tax Equality Association, will speak on "Legal Tax Avoidance Will Destroy Private Enterprise" at the March 19 quarterly meeting of the Minnesota Underwriters Association.

Defer Cedar Rapids Action

CEDAR RAPIDS, IA. — The Cedar Rapids school board has postponed a decision on purchasing fire and extended coverage insurance on its properties to March 21 and asked companies for binders to cover the buildings until that date. A controversy recently arose when the board asked for new bids on insurance and some of the agents protested because it would permit other companies to underbid.

Morton Jones Speaks March 2

Morton T. Jones, president Kansas City F. & M., will address a luncheon meeting March 2 in the public relations program of the Casualty & Surety Underwriters Association of Kansas City on "Insurance—A Test of Private Enterprise." Presidents of several large business firms and service organizations have been invited.

Self-Insure Voting Machines

DES MOINES — The Polk county supervisors have voted to carry their own insurance on the county's 277 voting machines and will set up a yearly \$3,300 appropriation to cover any losses by fire to the machines.

Large Loss Payment at Lincoln

What was described by the Lincoln "Star" as the largest sum ever to be paid

under one policy on a fire loss in Lincoln, Neb., was the \$100,000 draft of Pacific Fire that was delivered to the Archie Furr Co., by the Allen-Bushee local agency. The Furr warehouse was destroyed by fire last Nov. 15.

Brink Is So. Minn. Speaker

Joseph R. Brink of the Thomas G. Linnell general agency, Minneapolis, led a discussion on the deductible personal property floater vs. fire, extended coverage and residential theft at the February meeting of the Southern Minnesota Agents Regional Association at Fari-bault.

Correction on Fellison

In a recent issue in reporting a talk made by Lynn B. Fellison of Aero Insurance Underwriters before the Hutchinson, Kan., board, Mr. Fellison's headquarters were incorrectly given as St. Joseph, Mo. He is now working out of the western branch office of Aero at Kansas City.

NEWS BRIEFS

R. E. Wheeler, Detroit manager of Hartford Fire, addressed the United Northwestern Realty Association of De-

troit on "Insurance and Extended Coverage."

The St. Louis court of Cats Meow will have a luncheon meeting March 5, in honor of recent initiates.

William Bowersox, assistant manager at Chicago for Fidelity & Deposit, addressed a meeting of the local board of Elkhart, Ind., on the residence and outside theft policy.

Officers will be elected at the March 19 meeting of the Minneapolis Insurance Women's Association.

C. R. Bock, regional manager of Royal-Liverpool addresses the St. Paul Association of Insurance Women on "Office Management" at a dinner March 1.

A party will be given March 1 by the Insurance Women of Columbus in honor of the new members enrolled in the past year.

At the annual meeting of the Indianapolis Association of Insurance Women, Ann Mootz, City Securities, was elected president; Helen Reddick, Gulf, vice-president; Crystal Schuman, Harold Wells general agency, recording secretary; Hazel Peacock, Cooling, Grumme & Mumford, corresponding secretary; Odella Bauman, Home, reelected treasurer. A number of nominations were made from the floor after the nominating committee had announced its ticket. Officers will be installed at the next meeting.

IN THE SOUTHERN STATES

Dunford Manager of Va. Association

J. Earle Dunford of Richmond has been named manager of the Virginia Association of Insurance Agents it is announced by Marvin L. Wilson president of the association. This office was formerly held by Oscar H. West who resigned in August to become manager of the Washington office of the National Association of Insurance Agents.

Mr. Dunford was graduated from the University of Richmond with A.B. and LL.B. degrees. Following a service of two years in the army in the former war, 14 months of which were spent in France, he was assistant counsel to the state corporation commission for about two years. He then entered active practice in Richmond in 1921, and in 1928 became associated with the investment department of Life of Virginia. Early in January 1941 he was recalled to active army duty and is now being given a medical discharge, with the rank of lieutenant-colonel. During his service in the present war, he spent 27 months in the European theater.

The committee to select a new manager was composed of Theo. W. Kelley, Richmond, chairman; Warren F. Curtis, Richmond; Jacob Haun, Woodstock; John T. Minter, Norfolk, and Roger Clarke, Fredericksburg.

Committee Approves N. C. Law Provision: Change Advisory Group Set-Up

RALEIGH, N. C. — After amending the proposal calling for the setting up of an advisory insurance commission, the joint committee on insurance of the North Carolina legislature was given a favorable report to 11 bills providing for the revision of the state's insurance laws, and at the same time a bill was introduced in the senate calling for additional appropriations of \$89,000 for the insurance department to be used in carrying out the provisions contained in the bills.

As finally approved by the entire committee, the bill provides for the com-

missioner of insurance to serve as chairman of the advisory committee with the other six members being appointed by the governor, three of them with practical insurance experience. The commission may take up any matters it sees fit and make recommendations on a majority vote of those present.

Instead of meeting only at the call of the insurance commissioner, the board, under the amended bill, would hold regular quarterly meetings and may meet at other times upon call of the commissioner or two members of the board. Appointive members of the board would receive \$7 per day.

Puryear Opens Independent Adjusting Office

H. L. Puryear, branch manager of Fire Companies Adjustment Bureau at El Dorado, Ark., has resigned and opened office in 307 First National Bank building, El Dorado, as an independent adjuster for the companies. He has been in the insurance business for 16 years and completed 14 continuous years with F.C.A.B., on the day his resignation became effective. He opened the office for F.C.A.B. at El Dorado in 1937 and prior to that served as an adjuster in Little Rock, El Paso and Amarillo, Tex. Prior to entering the adjustment business, he was special agent for Aetna Fire's farm department in Texas.

Plan for Agent Education in Alabama After the War

Alabama agents and educators outlined plans for a long range program of insurance education in the state following a meeting of members of the faculty of the University of Alabama and the education committee of the Alabama Association of Insurance Agents at Birmingham. The program being devised will be put into effect when general conditions warrant it.

Among the needs pointed out at the meeting were the following: Wider understanding by agents of workmen's compensation insurance, observance of qualifications by those entering the business, research by the university on particular subjects, etc. The faculty members indicated their willingness to coop-

erate on such a program, and members of the education committee of the Alabama association are to work out suggestions and present them to the University. Those attending the conference included from the university Dean Lee Bidgood, school of commerce; Drs. James Holiday, H. A. Chapman, and J. R. Morton, and from the agents' committee, L. J. Thomas, Sr., Dothan, chairman; A. A. Adams, Jr., Birmingham; C. F. Raines, Albertville, and C. St. J. Morris, Tuscaloosa. Manager M. R. McGruder of the association attended and will act as a clearing house for the educational program ideas.

Hopkins and Daughtry Advanced in South

John R. Hopkins has been named associate manager of the southern department of Hartford. Upon graduation from Virginia Military Institute he joined Hartford. He has seen service in office and field and lately has been assistant manager.

C. L. Daughtry, who has been in charge of the claim department of the southern department of Hartford Accident, has been advanced to the newly created position of general attorney.

Ralph T. Skelton, who has been supervisor of claims and who recently returned from the army, has been placed in charge of casualty claims.

Alabama Mid-Year April 19

BIRMINGHAM, ALA.—A mid-year meeting of the Alabama Association of Insurance Agents, confined largely to committee meetings will be held April 19 in Birmingham.

Burnham Opens General Agency

W. L. Burnham has established a new general agency in the Jackson building, Birmingham, Ala., representing American Union, Central Surety, Georgia Home and Transcontinental.

Mr. Burnham is widely known in Alabama and Mississippi. For 11 years he was Alabama state agent of the St. Paul group, and before going to Alabama he was in the Mississippi field for the same companies.

Monroe Prevention Board Mgr.

NEW ORLEANS—Roger J. Monrose has been appointed acting manager of the New Orleans Fire Prevention Board. Mr. Monrose, formerly a member of the old general agency of L. Monrose & Sons, has been active in politics for a number of years. He served as commissioner of public safety and as a member of the police board.

Florida General Agencies Merge

The general agencies of Lippitt & Hull, Orlando, and Southern Underwriters, Miami, have consolidated as Walker & Lippitt. Francis J. Walker, former manager of the Southern, is manager at Miami, and Thomas D. Lippitt assistant manager, with offices at Orlando for the present. The combined agency represented companies of the Home, Royal-Liverpool, Springfield and Phoenix of London groups.

Tampa Agent Heads Fla. Realtors

J. Hearin of the Hearin-Light agency, Tampa, has been elected president of the Florida Association of Realtors. Mrs. Katharine D. Prew, Sarasota, Jack L. Robinson, Daytona Beach, and N. L. Van Dyne, Winter Haven, all local agents, are district vice-presidents.

Tampa Exchange Elects

TAMPA, FLA.—John W. Moreland of Moreland, Oliver & Charlton succeeds O. H. Carter as president of the Tampa Insurance Exchange. L. A. Roos, secretary since 1931, has retired because of ill health, and is succeeded by Miss Marion Boss, his assistant.

Discusses New Policy Forms

J. T. McCutchen, Fireman's Fund, discussed new fire policy forms at the

February meeting of the Jackson (Tenn.) Insurance Exchange. R. D. Harwood, new manager there of the Tennessee Inspection Bureau, was a special guest.

Schultheis Opens General Agency

Ray Schultheis has resigned as Florida state agent for Central Manufacturers Mutual with headquarters at Daytona Beach to organize a general agency for Iowa Mutual Liability at Daytona Beach. Mr. Schultheis was with Central Manufacturers about seven years and prior to that was with Federal Hardware Mutuals for about 14 years in Florida.

Sarasota Inland Marine Class

The Sarasota (Fla.) Insurers Exchange has organized a N.A.I.A. class with 19 enrolled for the inland marine course. These members of the Florida Field Conference will be discussion leaders: Stewart Benson, Brandick & Bowles; O. W. Houston, North America; A. H. Mathews, Hartford; T. C. McDonald, Fireman's Fund.

To Develop Aviation Insurance

MEMPHIS—Cameron E. Trenor, after 18 months with government primary training schools, has rejoined E. H. Crump & Co., specializing in the development of aviation finance insurance service.

Confirm Butler Appointment

The appointment of George B. Butler as life insurance commissioner and chairman of the board of insurance commissioners of Texas has been confirmed by the Texas senate.

Irwin Assistant General Agent

Ralph D. Irwin has been appointed assistant general agent in Dallas of the gulf department of Underwriters Salvage Co. of New York.

NEWS BRIEFS

Robert F. Sharp of F. Emory Sharp Realty Co., Bradenton, Fla., is back after two years in the air transport service, commuting between California and New Guinea.

T. Garnett Tabb, senior member of Tabb, Brockenbrough & Ragland, Richmond, who has been confined to his home by illness for several months, has recovered sufficiently to return to his office.

Perry Pipkin of A. E. Pipkin & Sons agency, Memphis, headed the committee of the Tennessee senate which accepted a bust of Cordell Hull, former Secretary of State, on behalf of the Tennessee legislature. Mr. Pipkin is chairman of the senate insurance committee.

National Union Contribution

The choral group sponsored by National Union by invitation journeyed to Deshon Hospital at Butler, Pa., to entertain the servicemen. The group comprised of employees under the direction of John W. Lowther, with Douglas W. Rodda as master of ceremonies, presented a variety program that was received with acclaim. This was the third visit to Butler and more than \$1,000 has been contributed to Deshon Hospital activities through quiz programs and a direct contribution of \$500 for the purchase of athletic equipment.

N. E. Mutual Agents' Paper

BOSTON—The Mutual Fire Insurance Agents Association of New England has a new eight-page monthly, the "Mutual Reporter." Delwin A. Cochran, Fitchburg, Mass., is named as editor-in-chief. The paper is being sent free to 3,500 New England agents.

Fire Companies Adjustment Bureau has opened a new branch at Caribou, Me., in charge of Ralph M. Tidd, formerly attached to the Bangor office. He will operate under the supervision of Lester B. Howard, manager at Bangor.

PACIFIC COAST AND MOUNTAIN

Recodification Bill Passed in Wash.; Williams Is Named

SEATTLE—The house has passed the senate bill calling for the recodification of Washington's insurance laws for presentation to the 1947 legislature. Governor Wallgren is expected to sign the measure.

Anticipating final approval, Commissioner Sullivan has appointed Robert D. Williams, secretary and general counsel of Sunset Life and Sunset Casualty, as legal counsel on the department's staff to supervise the recodification. Mr. Williams has resigned his post with the two Olympia companies and has disposed of his interests in the organizations.

Commissioner Sullivan's uniform 2% premium tax bill appears headed for final passage. The house passed it with only one dissenting vote and approval of the senate is anticipated. This will amount to a reduction of ¼% for the foreign carriers and an increase from 1 to 2% for the domestic companies.

Bill Prohibits Coercion

A house bill prohibits lenders from requiring the placement of insurance. The same bill, with the exception of minor changes, was passed in 1943 but was vetoed by Governor Langlie.

Three bills affecting mutuals have been introduced in the Washington house. One provides that it shall be unlawful for an officer or director of a mutual to receive any consideration from the company other than that authorized by the directors. The second bill would give policyholders access to records showing salaries and other compensation paid to officers, while another bill provides that directors of mutuals shall be elected for a term of office of one year.

F.C.A.B. California Changes

E. A. Baldwin of Fresno has been made manager at Riverside, Cal. by Fire Companies Adjustment Bureau. He started with Underwriters Adjusting in 1926 and also with Western Adjustment. At Riverside he succeeds W. R. O'Brien who is forced to resign as a result of ill health.

W. R. Hamann is assigned to Chico, Cal., as manager, succeeding Warren Smith, resigned. Mr. Hamann went with F.C.A.B. in 1936. He entered claims work in 1922 with Underwriters Adjusting. He returned to the mid-west in 1939 to enter the independent adjusting field but desired to return to California and rejoined F.C.A.B. a year ago.

Spokane Agency Sold

The Spokane, Wash., agency of Northwestern Mutual Fire and Northwest Casualty has been sold to George Bryan and John Nelson of the Bryan-Nelson agency there.

Need for Public Relations Told

Mark Drehmer of the National Association of Manufacturers addressed the Kansas City, Kan., Insurers on public relations.

Philadelphia Gets Trophy

The Philadelphia metropolitan department of Indemnity of North America has won permanent possession of the John A. Diemand trophy. For the third time since the award was established in 1936 Philadelphia came through in the No. 1 spot.

The Cleveland office which previously has won the trophy twice, was second in 1944.

A new trophy will be offered by Mr. Diemand this year.

H. W. Semmelmeier Planet Manager

Planet has appointed Herbert W. Semmelmeier as manager of its Pacific department with headquarters in San Francisco.

Mr. Semmelmeier received an honorable discharge as lieutenant colonel of field artillery, and then for a short time was with the National Union-Boston-Providence Washington office on the coast. Before the war he was a public relations officer of the Pacific Board. He made many appearances before insurance audiences and civic and business groups.

He graduated from West Point and was commissioned a second lieutenant of field artillery in 1918. He resigned from the army in 1922 and went with the Chicago Board as an engineer. In 1926 he went to California as special agent for Connecticut Fire and Westchester Fire in Los Angeles. In 1930 he was appointed manager of United Pacific Fire with headquarters at Seattle. He returned to Los Angeles in 1932 as special agent for Phoenix of Hartford and Great American.

In 1940 he was made manager of the public relations department for the Pacific Board. He served in the army from October, 1942, to September, 1944, when he received an honorable discharge because age prohibited continued service with combat units.

A son, Herbert B. Jr., upon completion of air corps basic training, will become an air cadet.

Cal. Officials to Los Angeles

Officers of the California Association of Insurance Agents were speakers at a meeting of the Los Angeles Insurance Forum. Ira D. Wheeler, vice-president of the state association, talked on the public relations provision of the National association.

Frank C. Colridge, executive secretary, who has been participating in the southern California regional meetings, reviewed pending insurance legislation with particular attention to Commissioner Garrison's rate regulation bill, and answered a number of questions regarding the bill.

U. of C. Extension Class Filled

LOS ANGELES—With a maximum enrollment of 55, registration has been closed for the University of California extension division's three months course in general insurance, of which Walter W. Bennett of the Bennett-Werner Co. is instructor.

Special lectures have been given to the class by V. W. McKinney, special agent America Fore, on "The Standard Fire Policy"; Marshall W. Paxton, vice-president Edward Brown & Sons, on "Policy Conditions," and A. C. Mortensen, engineer Fireman's Fund group, on "Variations of the Policy."

New Santa Barbara Officers

SANTA BARBARA, CAL.—Officers elected by the Santa Barbara Insurance Agents Association are: President, Larry Day; vice-president, Ira Kramer; secretary, Lang Cables.

Wash. Bureau Receives Shield

The Washington Surveying & Rating Bureau was awarded the Coast Guard security shield of honor at a ceremonial review and muster for Rear



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Aetna Fire, Agriculture, Alliance, P. American I. American I. Bankers & Birm'ham B. Buckeye U. Camden F. Carolina N. Capital F. Central B. Charter O. Christiania. Columbia F. Com. Stand. Connecticut County F. Detroit F. Dixie Fire. Dubuque F. Eagle Star. Emmco ... Empire Sta. Equitable L. Export F. & G. F. First Nat. General, W. General Sec. Great Ame. Great East. Home, Haw. Inter-Ocean. Jersey Lafayette F. Lumbermen. Mass. F. & National Gr. National R. National R. Nat. Union. North Ame. Northeast. Northwest. Northwestern. N. Y. Under. Ohio Pacific Fire. Piedmont F. Philadelphia. Phoenix, Co. Potomac ... "Practical". Reins. Corp. Reliance. Reliable F. Republic. Resolute F. Rochester. Rocky Mt. St. Louis F. St. Paul F. Security F. Secured F. Security Na. South Caro. Standard. Travelers F. Trinity Un. Twin City L. Universal. Wash. F. & World F. & "Reinsure

Adm. Edward Jones in Seattle J. K. Woolley, manager of the bureau, accepted the award on behalf of his organization. The award was presented for outstanding cooperation in the protection of Seattle's waterfront from fire, sabotage and accident.

Wash. Statistician Resigns

Charles E. Fullerton has resigned as statistician after 27 years with the Washington insurance department to move to Walla Walla, taking charge of organizing medical service bureaus in five southeastern Washington counties. Commissioner Sullivan has not announced his successor. Mr. Fullerton

was honored by the department staff at a dinner.

Burton with Los Angeles Agency

LOS ANGELES—George W. Burton, formerly casualty manager of West American, has become vice-president of Kleiner, Fields & Burton, general agents. The firm formerly was known as Old Line Agencies, Inc.

The E. I. Crockett Co. agency at Pueblo, Colo., which was organized in 1881, will be continued by Mrs. Charles T. Crockett and her associates, following the recent death of Charles T. Crockett.

at her summer home in Wisconsin, lost the ring which was valued at \$1,400.

Millers National denied liability on the ground that the condition against other insurance had been violated. Dubuque F. & M. declined to pay because of the existence of Millers National policy.

Later Dubuque made demand of Millers National for pro rata payment and the latter refused.

Then a written agreement was entered into between Mrs. Kossmehl and Dubuque under which Dubuque advanced her \$1,200 as a loan repayable only to the extent of any net recovery from Millers National or from any carrier, bailee or others and Mrs. Kossmehl obligated herself to bring an action against Millers National under the exclusive direction and control of Dubuque.

The lower court found in favor of Mrs. Kossmehl in the amount of \$750 plus 10% statutory penalty, plus \$148 interest, making a total of \$973.

Millers National objected to the finding of the trial court that the Dubuque policy was not valid, enforceable insurance at the time of the loss and hence was not other insurance, the existence of which would be a breach of the warranty in the Millers National contract.

Millers National contended that the provision against other insurance in the Dubuque policy is not a warranty and that though the proscription was breached the policy was not rendered void or voidable because the policy contained no forfeiture clause.

However, the court of appeals overruled Millers National on these points.

Millers National also contended that the transaction under which Dubuque paid \$1,200 to Mrs. Kossmehl was not a loan but was payment to her and, therefore, having received satisfaction in full she has no cause of action against Millers National.

The court of appeals found that Dubuque in advancing the \$1,200 did not intend to waive any defense or that it considered such advancement as an unconditional payment. Dubuque, the court said, had a strong motive for making a loan instead of paying off. If it had been paid under the policy it could have been contended that the burden of the whole loss was upon Dubuque without any right to contribution from Millers National, for if Dubuque accepted any liability it would have been faced with the argument that that was conclusive proof that Millers National policy was void for breach of the warranty in its

MARINE INSURANCE NEWS

Decision on Loan Agreement, Other Insurance

The St. Louis court of appeals has given a decision against Millers National for loss of a ring by an assured in a case involving the issues of other insurance and a loan agreement. In 1937

Millers National issued a three year policy insuring Mr. and Mrs. Oscar R. Kossmehl, one of the items covered being an emerald ring.

Later the Kossmehl's were divorced and being under the impression that Mr. Kossmehl had canceled the policy, Mrs. Kossmehl got a policy from Dubuque F. & M. She told the Dubuque agent that the Millers National contract had been canceled. As a matter of fact, it had not been.

On Aug. 3, 1940, Mrs. Kossmehl while

Marine Results for 1944

	Ocean Marine (Exclud. War Risks)		Inland Marine		Ocean Marine (War Risks only)	
	Net Prem.	Losses Pd.	Net Prem.	Losses Pd.	Net Prem.	Losses Pd.
Aetna Fire	2,591,012	833,079	4,039,966	1,507,416	566,702	218,176
Agricultural, N. Y.	996,251	402,399	340,406	132,089	217,000	74,900
Alliance, Pa.	430,502	123,076	444,612	179,866	208,784	41,694
American Alliance	10,533	3,886	136,058	44,967		
American Ins. Co.	2,230,047	577,745	1,731,602	546,039	505,518	115,257
Bankers & Shippers	3,803	22,967	242,455	74,723	63,680	1,400
Birmingham Fire, Ala.			11,414	11,450		
Birmingham Fire, Pa.			118	40		
Buckeye Union			8,192	2,180		
Camden Fire	246,698	128,116	699,231	255,674	212	1,334
Carolina Natl.			126			
Capital Fire, Cal.	77,825	20,147	28,595	7,902	35,342	19,472
Central Baltimore	35,875	10,256	37,051	14,988	17,398	3,474
Charter Oak			117,999	32,517		
Christiania Genl.	9,627	12,568	96,700	35,099	3,490	46
Columbia Fire			50,239	14,803		
Com. Stand. F. & M.			12,560	19		
Connecticut Fire	615,606	296,364	1,236,601	500,252	242,457	63,093
County Fire			27,209	8,994		
Detroit F. & M.			54,421	17,987		
Dixie Fire			25,120	7,402		
Dubuque F. & M.			204,291	56,346		
Eagle Star	866,240	320,369	119,358	103,936	240,179	68,077
Emmco			1,262			
Empire State	249,062	100,599	85,101	33,022	54,250	18,725
Equitable F. & M.	123,121	59,272	247,320	100,050	48,491	12,618
Export	1,456	—30	69,236	7,860	146,552	41,511
F. & G. Fire	548	12,172	826,414	302,031		12,428
First National			694			
General Wash.	583,548	133,822	1,247,091	433,997	27,716	8,519
General Security			390,425	169,959		
Great American	428,717	114,453	1,061,320	350,747	1,669,105	695,689
Great Eastern			8,553	1,315		
Home, Hawaii			392	163		
Inter-Ocean Reins.			141,342	61,987		
Jersey	1,438	5,268	131,655	68,408	40,209	700
Lafayette Fire			161			
Lumbermen's, Pa.	125,281	64,608	133,355	60,497	62,944	12,137
Mass. F. & M.			27,209	8,994		
National Grange			3,168	925		
National Reins.			393,292	189,193		
National Reserve			87,554	26,562		
National Security	143,501	41,026	148,204	59,566	69,595	13,898
Natl. Union Fire	304,712	184,795	1,266,389	605,487		
North America	6,314,035	1,805,121	6,520,988	2,638,044	3,062,171	611,574
Northeastern	771,070	566,585	61,459	30,142	1,740	51,041
Northwest F. & M.	93,561	41,246	79,200	43,607	37,919	9,354
Northwestern Natl.	15,500	3,775	212,549	59,720	79,620	65,183
N. Y. Underwriters	374,243	164,982	83,675	32,201	151,676	37,416
Ohio			709	20		
Pacific Fire, N. Y.	3,339	16,821	285,070	77,152	72,050	1,365
Piedmont Fire	63,205	16,107	247,526	146,108	191	1,987
Philadelphia Natl.	37,492	21,225	55,564	25,207	26,226	5,057
Phoenix, Conn.	1,020,148	491,118	2,049,225	828,990	401,787	104,555
Potomac	—1,846	40,678	296,183	90,728		7,477
Prudential, Okla.			2,746	8,745		
Reins. Corp., N. Y.	210,839	51,546	904,580	462,846	(—17)	4,138
Reliance	38,946	24,492	88,903	4,033	41,962	8,091
Reliable Fire, O.			7,923	1,785		
Republic			81,695	20,677		
Resolute Fire			1,045			
Rochester Amer.			54,421	17,987		
Rocky Mt. Fire			143			
St. Louis F. & M.			1,323	756		
St. Paul F. & M.	3,936,834	1,547,371	2,993,128	1,131,119		
Security Fire, Ia.			17,324	4,338		
Secured F. & M.			1,905	1,384		
Security Natl., Tex.			16,228	2,679		
South Carolina			16,656	13,554		
Standards, N. Y.	380,938	159,379	193,350	77,013	287,208	80,608
Travelers Fire			2,241,990	617,823		
Trinity Universal			75,958	40,302		
Twin City Fire	28,068	12,373	15,639	8,721	11,375	2,806
Universal	913,391	341,467	85,622	32,804	267,622	75,424
Wash. F. & M.			1,323			
World F. & M.	233,090	83,371	305,489	159,777	7,938	2,321

*Reinsured.



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policy against other insurance. A loan to Mrs. Kossmehl would put her in funds and forestall litigation with her. It was perfectly proper for Dubuque to make whatever arrangement it could to protect it from the expense of litigation.

The court ordered that if Mrs. Kossmehl will remit the penalty allowed and interest on the penalty the judgment would be reduced to \$750 with interest.

Bailee Quizzed as to Insurance Activities

LOS ANGELES—The insurance department issued a subpoena to S. O. Eckstein, doing business as the Los Angeles Storage Co. and the All-American Van Lines, to testify as to whether he is transacting insurance without a license.

Mr. Eckstein, through his attorney, questioned the right of the department to subpoena him and has demanded an opinion from Attorney General Robert W. Kenny on the subpoena legality.

The information received by the department was to the effect that Mr. Eckstein, in handling goods for his patrons, added a charge for insurance to each bill for transportation and storage, without procuring such insurance from an admitted carrier.

The basic question raised is whether a bailee who increases his public liability and makes a charge for such increased liability is not transacting insurance.

Form Auto Dealers Mutual Insurer at Kansas City

KANSAS CITY—A new company, Automobile Dealers Casualty, has been formed here to write insurance for a group of member finance and motor car dealers. The Automobile Dealers Insurers, Inc., with capital subscribed by shareholders, would provide the funds for the insurance company and will act as general agent for it.

A registration statement filed last week with the SEC reveals that the company will lend to the risk firm sufficient money to create a surplus and issue non-assessable policies. The mutual insurer will issue notes as evidence of its indebtedness.

The prospectus discloses that dealers "shall be permitted to hold agency contracts with the mutual company for the purpose of placing insurance on automobiles which they sell, receiving a commission for so doing. The insurance of the dealers themselves, however, shall be written direct with the home office with no commission arrangement. The

dividends returned as a saving on these lines will be the reward for giving the company such business."

Until a substantial volume of insurance has been produced, only dealers shall be permitted to have an agency contract, Byron Spencer, secretary, said.

The company intends to become licensed to operate as soon as possible in all the midwest states which it is practicable to enter and later extend to all 48 states, Mr. Spencer said.

Automobile Dealers Insurers has an authorized capital of 5,000 shares of \$100 par preferred stock, and 10,000 shares of no par common stock, of which 7,500 will be class A shares.

The board consists of J. M. Allton, Columbia, Mo., president; and Roland M. Record, first vice-president; Damon E. Williams, second vice-president; J. E. Minton, treasurer; Byron Spencer, secretary; George H. Welsh and Ralph R. Knight, directors, all of Kansas City.

Vote to Impeach Oscar Erickson

(CONTINUED FROM PAGE 17)

for the credit of Frances K. Koch and W. R. Koch as agents, they having taken charge of the Murphy agency.

In 1941, Vold testified, Erickson was negotiating with the federal land bank at St. Paul for repurchase of a farm near Tappen, N. D., and it was understood Erickson was to get part of the commissions from the Kochs. Koch, Vold testified, advanced \$1,500 to Erickson in anticipation of commissions to be received and later paid Erickson \$3,500.

Vold testified that Erickson got Vold to get enough funds from Murphy to pay Erickson a salary of \$100 a month.

In 1939, according to Vold, Erickson bought a house at Bismarck and asked Vold three times to get money to pay the installments. Vold testified he got \$3,800 through reinsurance of the state fire fund.

Vold said that total premiums paid for reinsurance to Western Fire and Western Casualty & Surety from 1937 to 1943 totaled \$114,920 and the commissions were \$34,011. The Western companies, he said, paid the commissions to Kansas City Insurance Agency and the soliciting agent was Peet. In November of 1938, according to Vold, he, Erickson and Peet had a meeting at Excelsior Springs, Mo. It was agreed at that time, according to Vold, that Peet was to get the reinsurance commissions and buy control of Farmers Union Life for the joint benefit of Erickson, Vold and Peet. According to Vold, Peet did get control and became president and certificates of stock were issued for the benefit of Erickson and Peet.

In 1939, Vold testified, he and Erickson bought automobiles from the Blaisdell Motor Company of Minot, N. D., headed by J. C. Blaisdell, Jr. He stated that reinsurance of the state fund was placed with J. C. Blaisdell, Sr., a local agent, and in that way the cars were paid for.

Vold estimated that Murphy from 1937 to 1943 paid "kickbacks" of from \$26,000 to \$30,000. He testified that when there was no more reinsurance to be placed, Erickson and Vold decreased the free insurance carried by the fund and increased the amount reinsured.

In 1942, Vold testified that he got an option to buy a college building at St. Paul for the benefit of Vold and Erickson with the idea of converting it into an apartment house. They expected, he testified, to get the money through reinsurance but the legislature refused to make an appropriation for reinsurance in 1943 and the college building deal was dropped.

Other witnesses included George Kelly of Ernst & Ernst; Frances Koch,

who testified she had been employed in the H. T. Murphy agency since 1920, and that her husband, W. R. Koch, had been employed there since 1927 and that they had been in charge of the agency since Murphy's death. She testified that at Murphy's direction she destroyed all of his insurance records before his death.

W. A. Hart, who was the counter-signing agent of the Western Fire policies and is owner of the Bismarck Insurance Agency, denied making any "kickbacks."

Findings of Committee

The committee in its findings stated that in 1937 the fire and bond funds purchased bonds from V. W. Brewer Co., securities dealers, the latter making a gross profit of \$107,619. On Aug. 17, 1938, the committee stated, the North Dakota hail insurance department and the fire fund sold \$660,000 and \$181,000 respectively of North Dakota real estate bonds at a premium of \$80,932. On the same day the bank sold \$825,000 principal amount of these bonds to V. W. Brewer Co., who paid the bank \$13,298 less than the contract price. The committee stated the bank should have collected the full premium. Also, the committee stated, the contract price was \$25,000 less than the market value. Thus the committee stated there was a total loss to the state funds of \$38,000.

The committee stated that the hail insurance department in 1943 bought a London Lloyds' contract through R. N. Crawford & Co., Chicago, to reinsure 90% of the excess of 9% of the insurance on which losses were sustained with a limit of 3% or \$200,000. The Lloyds' premium of 1% of the premiums of the hail department were \$116,242. There was a federal tax of \$250 and a service charge of \$8,500. No appropriation was made by the legislature for this transaction and the attorney general held in 1944 that it was illegal. The hail department collected the maximum of \$200,000 from Lloyds. The committee stated that the Crawford agency has declined to reveal the disposition of the \$8,500 service charge.

The committee stated that from Jan. 1, 1935, to Dec. 1, 1942, the fire fund paid out \$694,000 in premiums for reinsurance and collected \$97,000 in losses.

Between 1937 and 1943, the committee stated, Erickson and Vold paid \$664,000 in premiums for reinsurance. The committee charges there was a collusive and corrupt plan involving "kickbacks" of commissions.

From 1937 until 1943, the committee charged, the Murphy agency received \$200,000 in commissions and Vold and Erickson got from \$25,000 to \$30,000 in "kickbacks." During the same years, according to the committee, premiums of \$114,000 were paid to Western Fire and Western C. & S., commissions amounting to \$34,000.

The committee recommended that control of the hail department, fire and bonding funds be transferred to the industrial commission; that legislation be enacted requiring compliance with chapter 152 of the laws of 1943 governing catastrophe insurance; that the fees paid to examiners of insurance companies be limited to \$15 a day and expenses; that the attorney general review the record to determine whether criminal or civil action should be brought and that the matter be referred to the tax commission for possible tax evasion.

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but do you know what they mean in Fire Insurance?

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	1877—St. John, N. B.	1907
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